PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2009–2010

COMPRISING PERIOD
22 February 2010—5 March 2010

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 506**

SIXTH VOLUME OF SESSION 2009-2010

House of Commons

Monday 22 February 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Unmanned Aerial Vehicles

1. **Mr. Nigel Evans** (Ribble Valley) (Con): What support the Government are giving to the development of unmanned aerial vehicles. [317436]

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): In addition to procuring a number of unmanned aerial vehicles and related systems for Afghanistan, we are making several longer term investments in research in this area and supporting two technology demonstrators—Taranis, an unmanned combat air system project, and Mantis, an intelligence, surveillance, target acquisition and reconnaissance asset. Both contracts have been placed with BAE Systems.

Mr. Evans: That is excellent news as UAVs have proved very successful in Iraq and Afghanistan. Will the Minister continue to support research, development and production in this country? Will he also consider deployment of UAVs in the Falkland Islands, which would send a strong message to the Kirchners and the Government of Argentina that we are determined that while the Falkland islanders wish the Falkland Islands to remain under British sovereignty, they will so remain, come what may?

Mr. Davies: In answer to the hon. Gentleman's first point, we remain committed to continuing to ensure that this country remains at the cutting edge of these important technologies for the future. The second question is an operational issue, rather than an issue of equipment for me, but I am certain that commanders in that theatre or any other will call on whatever assets are most appropriate for the tasks in hand.

Robert Key (Salisbury) (Con): Please will the Minister update us on the Watchkeeper UAV programme that is based at Boscombe Down in my constituency?

Mr. Davies: This is a very important programme that will succeed the Hermes 450, which has been doing sterling work in Afghanistan. The Watchkeeper programme has a number of significant advantages over the Hermes 450, although I will not go into those in public. We are procuring 54 of those vehicles for the foreseeable future, and I am assured that delivery will take place before the end of this year.

Nick Harvey (North Devon) (LD): Given that Britain and France both have a requirement for a medium altitude long endurance UAV, and in the light of the recent improved attitude by the French towards joint procurement, will the Minister consider the possibilities of joint procurement with the French and possibly even the Italians? Might not we all benefit from establishing a European platform in UAVs?

Mr. Davies: That is certainly a pertinent and well informed question, and I discussed precisely those matters with my French counterpart, the head of the DGA, last week in Paris. I have also discussed them with my Italian opposite number. However, I am not in a position to make any concrete announcement today on the subject.

Defence Equipment Budget (Cost Overruns)

2. **Mr. Douglas Carswell** (Harwich) (Con): What his most recent estimate is of the level of projected cost overruns in the defence equipment budget; and if he will make a statement. [317437]

7. **Mr. Bernard Jenkin** (North Essex) (Con): What assessment he has made of projected cost overruns in the defence equipment budget; and if he will make a statement. [317443]

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): The most recent audited estimate of projected cost overruns in the defence equipment budget is a forecast increase of £1.242 billion in the financial year 2008-09, as reported in the 2008-09 annual report and accounts. These cost increases were virtually entirely attributable to two projects—the A400M aircraft and the Queen Elizabeth class aircraft carriers. I have no reason to suppose that this year there will be any such serious cost overruns. Nearly 90 per cent. of projects in the past two years have been delivered to cost.

Mr. Carswell: In evidence to the Defence Committee, the Minister confirmed that at the start of the 2009 planning round the deficit in the equipment budget was £21 billion, and that at the start of the 2010 round it was £6 billion. What is the present value of the deficit and how does he explain the £15 billion reduction?

Mr. Davies: Those are two separate questions. We are not in a position to go beyond the £6 billion figure at the moment, but we are working on the figures as part of the present planning round at the end of the financial year. This is a netting exercise as the hon. Gentleman will understand. There may be some projects for which we have over-provided and will be able to write back some provision, and some projects will be descoped for operational or other reasons, or cancelled for non-performance. It is therefore impossible to predict the exact position at the end of the financial year.

As for the reduction in the forward projected deficit of £21 billion last year to £6 billion, that £15 billion was accounted for by several factors. In some cases, projects were repositioned in the pipeline until some later date, forgoing that capability for the time being. In the majority of cases, the reduction was because of the descoping of the programmes that we were undertaking anyway or an agreement to reduce the capability that we intended to order—

Mr. Speaker: Order. I am grateful to the Minister, but I think that we have the thrust of his reply.

Mr. Jenkin: If I may be allowed a word in edgeways, it was not until recently that Ministers admitted to the Select Committee on Defence that there was any deficit. Indeed, it was only a short time ago—less than a year—that the Minister for defence equipment and support, addressing a conference called "Punching Above the Budget: A Prospect seminar", said, "There is no…deficit." So why have the Government now admitted that there is a deficit? It has been common knowledge among everybody who knows anything about defence that the Government have a programme far too large for their budget, so why did they not admit that years and years ago?

Mr. Davies: The hon. Gentleman knows perfectly well that the quotation that he has attributed to me was in relation to the last financial year, when there was not a significant deficit. The point that I have just made about the long-term deficit, as opposed to—*[Interruption.]* He obviously cannot understand the difference between a long-term deficit, going out to 10 years, and a current deficit, in the course of one year. If he cannot understand that, he will have to ask one of his hon. Friends to explain it to him.

Angus Robertson (Moray) (SNP): One of the affected programmes is the Nimrod MR2 programme, which has been withdrawn and replaced by the Nimrod MRA4. There is now a gap between the two that will impact on search and rescue capability. When will the Ministry of Defence update the House on which fixed-wing aircraft will perform that task for long-range cover capability, and say what its range, radar and communication capability will be?

Mr. Davies: The answer is that a number of assets, not all of them fixed wing—some may be helicopters—will fill that gap.

Mr. Gerald Howarth (Aldershot) (Con): The £1.2 billion cost overrun to which the Minister has referred constitutes yet another damning indictment of this Government's pathetic stewardship of defence procurement throughout their time in office. It is interesting how little support he has from his own Back Benchers today. Where are they all? Does the Minister not accept that it is utterly irresponsible for the Government's lamentable performance to be compounded by rushing through major project decisions in the dying days of this decaying Government? Does he not realise that although he might think he can buy votes in marginal seats by promising kit that he will not have to pay for, he will be bitterly disappointed when we win the next election?

Mr. Davies: All that electoral rhetoric is completely at odds with the facts. I have already explained that the deficit was due to two things, one of which is the A400M programme. That was the result of technical problems on the part of the supplier; it had nothing to do with the competence or otherwise of this Government. That is one of those things that, as the hon. Gentleman ought to know—and he does know, of course—invariably happens with new generations of military aircraft. As for the carriers, we made a deliberate decision not to bring forward that capability earlier than we needed it. By doing that we released quite a lot of current cash, which we needed to spend on more urgent items. That was good management; it was none of the things that the hon. Gentleman described it as being.

Afghanistan

3. **Sir Nicholas Winterton** (Macclesfield) (Con): What priorities his Department has set for responding to the insurgency in Afghanistan. [317438]

The Secretary of State for Defence (Mr. Bob Ainsworth): The UK armed forces are operating in Afghanistan as part of the 43-nation international security assistance force. ISAF forces are conducting security and stability operations throughout the country in support of the

Afghan Government. We are supporting the growth in capacity and capability of the Afghan security forces. Our armed forces, alongside our ISAF partners, also play an important role in facilitating and protecting improvements in governance and socio-economic development.

Sir Nicholas Winterton: I cannot get to a higher class than to have the Secretary of State reply to my question. Can he give me and the House an update on the deployment of mine detection and improvised explosive device-clearance systems, and on the Talisman project, which I understand was scheduled for initial fielding in late 2009?

Mr. Ainsworth: I am aware of how important the class of the people whom he mingles with is to the hon. Gentleman. We have stepped up our efforts on countering IEDs over a long period, as the Taliban have increasingly relied on that capability to attack our forces. We have doubled the counter-IED force in theatre, and we have tried to get various new pieces of kit and equipment, including Talisman, which is operating in Afghanistan, into theatre. However, the big thing that we need to do is tackle the IED networks, through the increased use of intelligence, so that we can be proactive in taking apart the networks that seek to target our troops.

Mr. David Winnick (Walsall, North) (Lab): Is there to be a full inquiry into the NATO airstrike on Sunday that resulted in many civilian deaths—more than 30—following other civilian deaths? Is that the way to win hearts and minds? Increasingly, one understands the decision taken by the Government of Holland.

Mr. Ainsworth: The recent incident took place in Oruzgan province, as my hon. Friend knows. He also knows—or should know—that the ISAF commander has apologised for those deaths. Every time I hear General McChrystal speaking, particularly to his own forces, he is really hard on this issue. Every civilian death is one too many, and he tries to hammer that through at every level and on every occasion. If we are to win this campaign, we have to win it in the hearts and minds of the Afghan people, and making every effort to reduce civilian deaths is his absolute priority. I believe that that is the right priority for him to have.

Nick Harvey (North Devon) (LD): Given that stability has slipped significantly in previously secure areas such as Kunduz and Herat, and that there are Taliban shadow governments in every Afghan province, what is the coalition's strategy for decreasing the strength of the insurgency across the country as a whole, beyond the southern area that is the focus of the current military operation?

Mr. Ainsworth: The hon. Gentleman is absolutely right to say that the insurgency has looked to increase its capability throughout the country, and that it has enjoyed some success in certain areas. The feeling is that the insurgency has to be confronted in its heartland, and that the main effort therefore has to be made in the central Helmand valley. That is currently taking place through Operation Moshtarak, which is progressing fairly well in terms of taking the areas concerned away from Taliban control. The commander of the ISAF has also said that his other priorities are to clear the routes to enable people to travel freely on the main routes in Afghanistan, and to tackle the insurgency in Kandahar, which he will probably move on to soon.

Mr. Russell Brown (Dumfries and Galloway) (Lab): On the transition of lead security responsibility to the Afghan Government, can my right hon. Friend provide us with the anticipated timetable for such action within each district and across the nation as a whole?

Mr. Ainsworth: The last thing we want to do is to peg people to a timetable in that regard. Our handing over security control to the Afghans in any district or province has to be based on capability, and on their ability not only to take the lead in security in the first instance but successfully to prosecute that lead thereafter. The last thing we want to do is to hand over any district or province prematurely, as that could set the Afghans up for a setback. Capability has to be the key concern. Of course we want to make progress, and we need to be able to show progress in this next year, but we do not want to impose an artificial timetable in any particular area.

Dr. Liam Fox (Woodspring) (Con): Public support at home for our armed forces in Afghanistan is vital for our long-term success, which is why we must give constant reassurance that NATO seeks at all times to minimise civilian casualties—which we do. However, with 80 per cent. of civilian deaths due to direct Taliban activity, with clear successes in recent operations, and with international co-operation resulting in a substantial reduction in al-Qaeda and Taliban capability in Afghanistan and Pakistan—including the loss of many of their military chiefs—why are the Government still failing to get a more positive and balanced message across to the British public? The British people need to see more than just casualties on our side if we are to keep them with us supporting our troops in their mission. What do the Government intend to do to win hearts and minds in Britain, too?

Mr. Ainsworth: I genuinely do not accept what the hon. Gentleman has just said. We have made great strides recently, and to some effect, in terms of reassuring people about what we are doing, why we are doing it and how we are doing it, and about the success that we are having. There has been some excellent reporting of the recent Operation Moshtarak in central Helmand. Yes, of course, there has been some misleading reporting —as ever—but the majority of it has been first class, and people have been able to see what we have done and how we have done it, and the degree of success that our people have had.

In the Ministry of Defence, we have recently employed General Messenger, who has commanded in Afghanistan, as a spokesperson who can contact the media on a regular basis and provide in-depth briefings—both on and off the record—on how we are conducting our operations in Afghanistan.

Mr. Denis MacShane (Rotherham) (Lab): My hon. Friend the Member for Walsall, North (Mr. Winnick) is wrong: the Dutch Government have taken no decision on Afghanistan; they have simply collapsed on account of Afghanistan. Does that not send out a slight warning

signal that we perhaps need a little less military confrontation, with all its collateral damage that does so much harm to our good name in Afghanistan, and much more political and diplomatic containment?

Mr. Ainsworth: We need political progress in Afghanistan, which is vital, and we need to deliver it through the Afghan Government. However, the last thing that we want is to provide anything other than reintegration, reconciliation and political progress, but we will not achieve it from a position of weakness. The Afghan Government still depend on ISAF for their basic position, and they will do so for some time while we grow the capability of the Afghan national army and the Afghan national police. Of course we should emphasise the political and development side of these operations, as they are vital at the end of the day.

University Training Units

4. **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): What plans he has for the future role of university training units. [317440]

6. **Philip Davies** (Shipley) (Con): What plans he has for the future role of university training units. [317442]

9. **Mr. Philip Dunne** (Ludlow) (Con): What plans he has for the future role of university training units. [317445]

10. **John Howell** (Henley) (Con): What plans he has for the future of university training units. [317447]

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): The Government fully recognise the value of the university royal naval units, the officer training corps, the university air squadrons and the defence training undergraduate scheme, which allow individuals to develop skills that are extremely valuable in future careers either within or without the armed forces. There are currently no plans to change the role of the university training units.

Mr. Lancaster: I remind the House of my interest. Just one month before the start of the new training year, OTCs and Territorial Army units are yet to have next year's training budget confirmed. That forms a major problem for the commanding officers of those units, and it is a problem that the Armed Forces Minister recognised on 26 October, when he said that

"it is incumbent on us in the Ministry of Defence to reach conclusions on the budget for 2010 as quickly as possible".—[*Official Report*, 26 October 2009; Vol. 498, c. 140.]

Four months on, we still do not know, so will the Minister simply confirm that all budgets will be in place before 1 April?

Mr. Jones: The reductions in university OTCs—on training, for example—were made on the recommendation of the head of the Army in order to make in-year savings. I accept that they have caused some problems for individual units. We reinstated the moneys for the trainers, but decisions on this year's budget are ongoing within the MOD and will be announced in due course.

Philip Davies: What effect does the Minister believe cuts in university training programmes and cuts in the training of those already serving in the armed forces will have on the long-term skills and capability of our men and women who serve in uniform? Is not the fact that the Government have brought these proposals forward another damning indictment of their mismanagement of the defence budget and the impact it has on the armed forces?

Mr. Jones: The decision to reduce or take away pay in the OTCs was taken on the recommendation from the head of the Army to make in-year savings. Costs are involved in supporting undergraduate schemes across the three armed forces, so if we are to ensure that we have a balanced defence budget and a balanced defence force, all factors need to be taken into consideration. If the hon. Gentleman wants to ensure that money goes directly into university schemes, I challenge the hon. Gentleman to say, first, where it will come from and, secondly, whether it will affect other parts of the defence budget?

Mr. Dunne: As a member of the university air squadron when I was an undergraduate, I am well aware of the vital role that these schemes play in recruiting for our armed services. The Minister has just told us that the head of the Army proposed cuts in the training budget, so what assessment has he or his Department made of the impact it will have on the number of recruits coming through these schemes, and what cost will fall on the Army if such recruitment no longer takes place?

Mr. Jones: As I have said, this is a recommendation for in-year savings this year. Again, I will challenge the hon. Gentleman: if a future Conservative Government wish to ring-fence this area, they can, but they will have to say what would give in the defence budget. In terms of the strength of the UOTCs, the establishment for 2009 was 2,946 and the establishment at the moment is 3,500.

John Howell: While I welcome the Minister's support for university training units, I am none the wiser after the last three answers as to how that valuing of them will be turned into real action or which of the unique training opportunities that those units provide will be preserved and which the Minister thinks can simply be dispensed with.

Mr. Jones: The hon. Gentleman has to realise that the concentration is on current operations in Afghanistan. In November last year, the head of the Army instigated a review of the UOTCs. The reference group that he has set up includes the chair of the Council of Military Education Committees of Universities of the UK. It is important that, under its terms of reference, the steering group looks at everything that the UOTCs do to ensure that they are effective for the Army and provide value for the taxpayer.

Dr. Andrew Murrison (Westbury) (Con): The memo from HQ Land dated 12 October, which leaked in-year cuts to the OTC, warned of downstream implications for officer recruitment. Ominously, it went on to say that because money was so tight, there may be further cuts in the pipeline to be discussed with Ministers.

Given that the MOD's financial position since October cannot be said to have improved, will the Minister say what further discussion he has had on cuts to cadet forces, which the Under-Secretary of State for Defence, the hon. Member for Grantham and Stamford (Mr. Davies), would probably call "descoping"? Given that the nature of recent conflict requires us to have more able people in military leadership roles than ever before, may I press the Minister for a proper assessment of not only the likely damage to recruitment numbers but also the military effect of his gross budgetary short-termism?

Mr. Jones: I assume from what the hon. Gentleman suggests that this is yet another uncosted commitment from the Conservatives. The proposal was put forward by the head of the Army. The head of regional forces has set up a study into the OTCs, which will report by June this year. It includes not only the financial implications, but how the OTCs are structured and how they will go forward. A similar exercise is being done for the Royal Navy and the RAF. That is a proper way of listening to our military commanders' advice about what is fit for purpose in the long term, but if the hon. Gentleman wishes to state today that a future Conservative Government will ring-fence money for the UOTCs, he will need to tell taxpayers and voters come the election where else in the defence budget money will come from.

Maritime Piracy

5. **Mr. Jim Cunningham** (Coventry, South) (Lab): What recent steps his Department has taken to counter piracy on the high seas. [317441]

The Minister of State, Ministry of Defence (Bill Rammell): UK armed forces continue to play an integral role in the command and control of EU, NATO and coalition counter-piracy operations off the coast of Somalia.

We are determined to play our part, through the Royal Navy, and in close co-operation with other Government Departments and countries, to tackle piracy and to protect legitimate trade and transport.

Mr. Cunningham: I thank my hon. Friend for that answer, but will he tell me how and when he will implement the Djibouti code to deal with piracy in the Indian ocean and the gulf of Aden, particularly in relation to kidnappings?

Bill Rammell: We strongly welcome the commitment from the Government of the Seychelles, which was encapsulated in the Djibouti announcement, to consider hosting a regional counter-piracy chamber to prosecute pirates within their national jurisdiction. One of the key challenges that we face is ensuring that prosecutions can take place locally and regionally, and we will continue to press partners in that direction.

Mr. James Arbuthnot (North-East Hampshire) (Con): Is the Minister aware of the widespread support for the Government's policy of discouraging ransoms? Does he agree with Kipling that

> "We never pay any-one Dane-geld,
> No matter how trifling the cost"?

Bill Rammell: I wholeheartedly agree with the right hon. Gentleman. While I understand where people who desire the payment of ransoms are coming from, in the longer run it would simply lead to greater problems and more kidnappings—it would store up problems for the future. The Government are therefore right to resist the payment of ransoms.

Mr. David Hamilton (Midlothian) (Lab): Along with some colleagues, I was out in the Gulf in the summer recess, and I encourage my hon. Friend and Opposition spokespersons to do the following. When the Labour party is returned to government after the next election, there will be hundreds of new MPs, and I ask that every Front-Bench spokesman writes to every new Member suggesting that they join the armed forces parliamentary scheme. It is important to do that, because the scheme is about not only front-line services but what the armed forces do for this country.

Bill Rammell: I wholeheartedly agree with my hon. Friend. I know many colleagues on both sides of the House who have taken part in that scheme. Indeed, there is a dinner this evening, hosted by Mr. Speaker, that both the Secretary of State and I will attend. It is a genuinely worthwhile scheme that brings home very practically to Members across the House the reality of life in the armed forces.

Dr. Julian Lewis (New Forest, East) (Con): I heartily endorse what has been said about the armed forces parliamentary scheme, even though some of my Liberal Democrat opponents do not. Returning to the subject of piracy, however, the Minister spoke about playing a part, but since the policy of releasing pirates after simply confiscating the equipment with which they were proposing to commit piracy has been so widely practised, what are we doing, other than playing a part, to deter piracy? Can the Minister confirm that the new proposals he has mentioned will mean an end to the policy of stopping pirates and then releasing them unharmed and able to carry on with their mischief?

Bill Rammell: I do not want to intrude on the private grief between the hon. Gentleman's party and the Liberal Democrats—and, in any case, I am unsure of its provenance. In respect of piracy, where there is credible evidence, we seek to move towards prosecutions, but where such evidence does not exist, we have to act differently. However, we are giving a wide range of assistance to maritime shipping passing through the gulf of Aden, and it is important to make it clear that since December 2008 only one merchant vessel that was registered with the Maritime Security Centre (Horn of Africa) and that was operating in accordance with best practice has been seized by pirates. That is the result of the actions that we and other partners are taking to tackle this problem.

Hugh Bayley (City of York) (Lab): Does my hon. Friend agree that there is a connection between piracy and the funding of terrorism, and also that piracy off the horn of Africa is one of a lengthening list of defence issues in Africa? Therefore, is it not now time that NATO developed a policy towards Africa, by bringing all those matter together within a formal relationship with the African Union?

Bill Rammell: I certainly agree with my hon. Friend that there is a link between the piracy challenge and the military challenges we face, but there is also the issue of the appalling human rights situation and lack of government in Somalia, and we therefore need to work across Government Departments and with our international partners to tackle the problem at source. Yes, there is a military component to this, and we are enforcing that very effectively, but there need to be political changes in the region as well.

Afghanistan

8. **John Hemming** (Birmingham, Yardley) (LD): What steps he plans to take to persuade Afghan citizens who have taken up arms on behalf of the Taliban to withdraw that military support. [317444]

The Secretary of State for Defence (Mr. Bob Ainsworth): The UK, alongside the rest of the international community, supports the Afghan Government in their plans to reintegrate disaffected Afghans into mainstream society, providing that they pursue their goals peacefully, within the constitutional framework, and have no ties to terrorist groups such as al-Qaeda.

John Hemming: I am sure that the Secretary of State agrees with me that, in dealing with conflicts, one can learn a lot from history. What historical precedents are the Government using to guide their strategy in Afghanistan, and how do those precedents serve to lead the Government to their conclusions?

Mr. Ainsworth: In operations such as that in which we are involved in Afghanistan, reintegration of at least parts of the insurgency is a legitimate and appropriate way to proceed. It is not only a case of building up the Afghan national capability so that the Afghans are able to protect their own country from the insurgency. There are also parts of that insurgency that do not share all the goals of some of the leadership, and we ought to recognise that and work to peel off those people where that is appropriate, such as where they are involved in their activities for money or because of local grievances. We therefore encourage the Afghan Government to do precisely that.

Mr. Brian Jenkins (Tamworth) (Lab): My right hon. Friend will realise that the one big difficulty that former farmers who became Taliban fighters would have is that if they were to go back over to the side of the Afghan Government, they would want assurances that the Afghan forces will guarantee their safety and that of their family, and that the Taliban will not return and take retribution. Does he understand that that is the crucial part in building confidence among the Afghan people?

Mr. Ainsworth: Providing safety for insurgents who are prepared to lay down their weapons and behave peacefully is an important part of reintegration. If that is what they are prepared to do, this is about providing safety from our own forces in terms of giving them reassurance, and being able to protect them from insurgents who continue to present a problem. My hon. Friend is absolutely right to say that that will be a key concern of anybody who is preparing to turn away from the Taliban insurgency.

Alistair Burt (North-East Bedfordshire) (Con): One of the contributions of the Dutch in Afghanistan has been working effectively with civilians in the areas in which they have been operating. If the Dutch pull out of Afghanistan, how will that work be compensated for? What are the Government doing to ensure that there are no further pull-outs from the NATO coalition, as they would be so damaging to the prospects in Afghanistan?

Mr. Ainsworth: We need to see this issue in the light of the overall picture. Some 43 nations are now involved in the coalition, so it has widened over the years. Separate from the American uplift announced in response to General McChrystal's report, we have managed to secure 9,000 non-American additional forces. So there have been moves in the right direction on the international effort in Afghanistan, but we will need to replace the Dutch leadership in Uruzgan province if the Dutch go ahead with their pull-out from Afghanistan.

Sir Menzies Campbell (North-East Fife) (LD): But does the Secretary of State not accept that this is a matter not just of numbers, but of the quality of commitment and effectiveness, and that in those regards the Dutch forces have been exemplary? If they pull out, that will inevitably have a consequence for the overall capability of NATO in Afghanistan.

Mr. Ainsworth: The Dutch forces have been superb in terms of both numbers and capability over a period of time. We have done everything we can to encourage the Dutch to continue to make whatever contribution they are prepared to make. However, their commitment was time-limited and we have seen what has happened in terms of Dutch political decisions. I can only repeat that while we have seen these decisions being taken, other nations have been prepared to increase their contributions and new nations have joined the international security assistance force. We need to have balance in our views on this, because there has been a huge increase in troop commitments across the board.

Royal Navy

11. **Angela Watkinson** (Upminster) (Con): What assessment he has made of the capability of the Royal Navy to discharge its current and anticipated tasks. [317448]

13. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): What assessment he has made of the capability of the Royal Navy to discharge its current and anticipated tasks. [317452]

17. **Andrew Rosindell** (Romford) (Con): What assessment he has made of the capability of the Royal Navy to discharge its current and anticipated tasks. [317456]

The Minister of State, Ministry of Defence (Bill Rammell): The Royal Navy continues to meet all its operational tasking and remains extremely busy in support of current operations and standing commitments. The Royal Navy remains flexible and dynamic in its ability to respond to unforeseen events and emergent tasking.

Angela Watkinson: I thank the Minister for his response, but will he make a statement on the future role of equipment in the Royal Navy, including HMS Prince of Wales and HMS Queen Elizabeth? How will they fit into the United Kingdom's future national security interests?

Bill Rammell: As has been repeatedly made clear, this Government remain committed to the carriers—a commitment I have not heard made forcefully from those on the Conservative Benches.

Mr. Goodwill: Has the Minister included the need to provide support for oil exploration and production in the seas around the Falkland Islands in his list of anticipated tasks for the Royal Navy?

Bill Rammell: May I say to the hon. Gentleman that we remain determined that the wishes of the Falkland islanders should be paramount? We have transformed our military presence since 1982 and we maintain an appropriate deterrence force on the island and in the south Atlantic, comprising a range of land, air and maritime assets. Of course, we keep our military presence under constant review to ensure that the islands are properly protected.

Andrew Rosindell: In view of what the Minister has just said, will he confirm not only that the Government are paying attention to the interests of the Falkland Islands and the south Atlantic but that the Royal Navy has the ability to protect all 16 of our British overseas territories, wherever they might be throughout the world?

Bill Rammell: We do everything in our power and I am confident of our ability and capability to defend not only the Falkland Islands but all our overseas territories, in which I know the hon. Gentleman takes an interest.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Will the Minister tell the House what the role of the future surface combatant will be in contributing to capability, and update the House on plans for the procurement of such vessels?

Bill Rammell: I know that my hon. Friend has taken a real interest in these issues. Indeed, we discussed them when I visited Plymouth, Devonport a couple of weeks ago. The future surface combatant is expected to build on the capabilities of the existing Type 22 and Type 23 multi-purpose frigates that it will replace. It is an integral part of the balanced fleet required to support the UK's future defence commitments, and we will be making an announcement on the issues very shortly.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Will the Minister say more about the anti-piracy work going on within the Royal Navy to ensure that our ships can protect not only our citizens but others off the coast in areas such as Somalia?

Bill Rammell: That is a large and significant challenge. It has a political dimension in tackling the root causes of piracy, and the £21 million a year we are investing through the Department for International Development is extremely important in that. We also need to provide advice to vessels on implementing effective self-protection. Critically, we also offer group transit to vulnerable vessels using the internationally recognised transit corridor, which is protected by international forces.

Dr. Liam Fox (Woodspring) (Con): The seas around the Falkland Islands are part of British overseas territories. Is it not the duty of any British Government to do all that is necessary to give adequate protection to vessels, companies and individuals who carry out legitimate business in these waters? Is it not also the case that no amount of intimidation from Buenos Aires can alter what is a fundamental issue of self-determination? Will he also tell us what communication Defence Ministers have had with their opposite numbers in Argentina to make all this crystal clear?

Bill Rammell: There has been no change whatsoever to our policy. We have no doubt about the sovereignty of the Falkland Islands, and there has been no change in our support for the Falkland Islands' legitimate right to develop a hydro-carbon industry within their waters. We do take, have taken and will take whatever steps are necessary to protect the Falkland Islands, and our counterparts in Argentina are aware of that. We continue to have a bilateral relationship and we use every avenue within that relationship to get those messages across.

Dr. Fox: Given the renewed tension in the south Atlantic, the huge upsurge in piracy already mentioned, the challenges of energy security and the fact that 92 per cent. of Britain's trade goes by sea, just how big a mistake was it for the Government to cut our surface fleet from 35 destroyers and frigates to about 20, and to cut the number of our attack submarines from 12 to eight and now, probably, to seven? Do they regret what they have done to the Royal Navy?

Bill Rammell: Our forces today are much more capable, and that has enabled us to make the changes we have made. I hear a lot of noise from the Opposition but the hon. Gentleman needs to recognise, acknowledge and admit that his party is not committed to one extra penny of defence expenditure compared with the amount to which we are committed. Hollow words provide no conviction whatsoever.

Strategic Defence Review

12. **Mr. Adam Holloway** (Gravesham) (Con): What estimate he has made of the extent to which commitments made in the 1998 strategic defence review have been funded by the Government. [317450]

The Secretary of State for Defence (Mr. Bob Ainsworth): The commitments identified in the 1998 strategic defence review have evolved over the intervening period to reflect the changing strategic setting and the experience of operations. Successive spending reviews have provided resources to fund these.

Mr. Holloway: The Gray review describes the Government's procurement system as "sclerotic" and "substantially overheated". Does the Secretary of State accept that the failure to hold a strategic defence review in the past 12 years has contributed significantly to that?

Mr. Ainsworth: As the hon. Gentleman knows, we have updated the strategic defence review over the intervening period. He ought at least to acknowledge that the Government commissioned the Gray report in order to assess exactly where we are regarding defence acquisition. We have responded to the report with some pretty far-reaching proposals on defence acquisition reform, which we recently announced to the House as part of the Green Paper package.

Iran

14. **Mr. Ian Taylor** (Esher and Walton) (Con): What recent assessment his Department has made of Iran's military capability; and if he will make a statement. [317453]

The Secretary of State for Defence (Mr. Bob Ainsworth): Iran's military capability is primarily defensive in nature with offensive capabilities intended to provide deterrence to any potential aggressor. Many of Iran's conventional platforms are old, predating the 1979 Islamic revolution. Despite Iran's efforts to procure and produce spares to supplement existing platforms with new equipment, they do not present a significant conventional threat to our or our allies' interests. We are, however, committed to working with the international community to ensure that the difficult issue of Iran's nuclear ambition is resolved through diplomacy.

Mr. Taylor: The Secretary of State will well know that the nuclear issue is the focus of attention. What concerns me is whether the military preparations in Iran are sufficient to give it the flexibility to make a conventional attack on any of its neighbouring countries. We saw the loss of life during the Iran-Iraq war, which was horrendous, and we saw the Iranian Government's lack of value of life. Could that happen again and is there a strategic threat to the United Kingdom's interests?

Mr. Ainsworth: We would like to encourage Iran to be a good neighbour, to take its part in the region and to be a positive force in that regard. Notwithstanding what I have said about its conventional capability eroding over time and about its not being able to maintain that capability, we have seen it create difficulties through proxies for its neighbouring countries. We would ask it seriously to reconsider that and to join the international community in providing a secure environment for the region. That would be in the interests of Iran as well as the wider middle east.

Topical Questions

T1. [317461] **Harry Cohen** (Leyton and Wanstead) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Mr. Bob Ainsworth): My Department's responsibilities are to ensure that our country is properly defended now and in the future and that our service personnel have the right equipment and training to allow them to succeed in the military tasks in which they are engaged at home or abroad.

Harry Cohen: Will the Secretary of State find time to look into the issue of so-called friendly fire deaths? That cause of death has been alluded to in at least one soldier's death recently. Will the Minister make absolutely sure that his Department is completely open about these matters, and urge our allies to do the same, so that relatives can find out the truth without long delays and can take up such matters as they wish?

Mr. Ainsworth: I hope that we are. Not only do we deploy our own internal methods to expose the facts in such cases, but we use and increasingly value the coroner service and its investigative procedures to expose to the loved ones of those who have lost their lives the circumstances of their deaths. That is as important if they have lost their lives to opposing forces as if they have lost their lives to friendly forces in an accident in the operational theatre.

Mr. Julian Brazier (Canterbury) (Con): May I thank the Secretary of State for the forthcoming briefing on piracy at Northwood? Was it really wise of the Government to agree that piracy should be downgraded from an act of war to a criminal offence? Is the Minister satisfied that the rules of engagement for our naval commanders are sufficiently robust, given that vessels are from time to time seized almost under the noses of our Navy?

The Minister of State, Ministry of Defence (Bill Rammell): The hon. Gentleman takes a real interest in these issues, and the changes to which he refers enable us, in the right circumstances, to have more effective prosecutions. It is just not true, where we have had an ability to act through the Royal Navy to protect lives and not to put them at risk, that we have not taken such action.

T2. [317462] **Phil Wilson** (Sedgefield) (Lab): Will my right hon. Friend take this opportunity to set out the next steps towards a strategic defence review, following the publication of the defence Green Paper?

Mr. Ainsworth: The Green Paper was designed to ask the questions and provoke the kind of debate that is necessary within the Department, the wider Government and the nation as a whole in the run-up to a strategic defence review. I believe that all the main parties in the House are now committed to having a strategic defence review after the next election. Exactly how we conduct that is yet to be decided, but a lot of preparatory work has been commissioned through the Green Paper process, and that work is ongoing.

T4. [317464] **James Duddridge** (Rochford and Southend, East) (Con): Last week, I visited a course for junior non-commissioned officers on the disposal of unexploded ordnance. Some of those people are going out to Afghanistan. They are doing an excellent job. I was deeply concerned, however, that bombs were not allowed to be detonated on three of the last four courses, owing to a noise limit of 125 dB. Local residents would appreciate that that is necessary work. Will the Minister of State or the Secretary of State discuss with QinetiQ the possibility of increasing that limit, so that people have exploded that type of ordnance before going out to Afghanistan?

Bill Rammell: Tackling improvised explosive devices is the highest priority for the military and the Ministry of Defence. We do everything we possibly can; we are

increasing resources; and we will look at the limit to which the hon. Gentleman refers to ensure that everything possible can be done.

Mr. John Grogan (Selby) (Lab): Will the Minister say a word about the future of RAF Church Fenton, which is the proud home of Yorkshire Universities Air Squadron, and its parent base, RAF Linton-on-Ouse, which is home to 500 RAF personnel and 600 civilians whose future appears to be under review?

Bill Rammell: I know that my hon. Friend is concerned about this issue on behalf of his constituents, but RAF Church Fenton and its parent base—RAF Linton-on-Ouse—currently provide UK military flying training. As he knows, the future roles of those stations are under review. No decisions have yet been taken on the involvement of individual sites that are under review as part of the programme, but I am more than happy to talk to him about the detail of these issues.

T5. [317466] **David Tredinnick** (Bosworth) (Con): Why was the central Helmand offensive advertised widely in advance? Surely, that goes against all normal military practice and has resulted in a number of leading Taliban figures leaving the area.

Mr. Ainsworth: If the hon. Gentleman thinks he knows better than those who are commanding our operations in Afghanistan, that is a matter of his own opinion. I do not share his view. The commander of the international security assistance force flagged the ongoing operation well in advance to ensure that we could carry out his priorities: to gain control of the area and to provide security for the people, with the minimum of damage and loss of civilian lives. None the less, we managed to achieve tactical surprise. We did not allow the enemy to know exactly where we were going or exactly when we were going there. So I urge the hon. Gentleman not to listen to some of the reporting of these operations, which have been extremely effective. We have achieved all our goals on the Task Force Helmand side of the line—the Americans are still experiencing some resistance—and we have done that very effectively, impacting minimal damage on the infrastructure in the area and minimal civilian casualties.

Mr. Denis MacShane (Rotherham) (Lab): At the Munich security conference the other week, Russian Foreign Minister Lavrov said that Russian military doctrine now saw NATO as its principal foe. Does the Secretary of State agree that it is time that Moscow pressed its own reset button and started to work with us as allies and partners, rather than future enemies?

Mr. Ainsworth: We would welcome a reappraisal by Russia of its attitude towards NATO. There is no reason for the Russians to adopt the line that they have, and any reappraisal or softening of their position with regard to what they perceive as the threat would be most welcome and beneficial to themselves as well.

T6. [317467] **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): Are Ministers aware that if a member of our armed forces who has a child with special educational needs and who may have struggled for months to get that child statemented is posted to another part of the country, they have to start that whole protracted process all over again? Is there any possibility of introducing a portable statement for members of our armed forces?

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): I am concerned that the hon. Gentleman raises the issue. It was raised by the Defence Committee in its report about three years ago, and I worked with my hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry) when she was a Minister at the Department for Children, Schools and Families to ensure that statements are portable. If the hon. Gentleman has an example of one that is not portable, I should like to see it, please.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Chapter 6 of the defence acquisition strategy which accompanies the Green Paper says that

"industry needs to play its full part in helping to address the problems this strategy is seeking to tackle."

What scope is there for companies such as Babcock Marine, which has its headquarters in Plymouth, Devonport, to participate in such partnership work?

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): We consult on a continuous basis formally and informally with industry on these matters. I must not comment on corporate issues currently in the media.

T7. [317468] **Andrew Rosindell** (Romford) (Con): Can the Minister confirm that all service personnel are being given all the correct information to ensure that they are able to cast their vote in forthcoming elections?

Mr. Jones: I can go further than that. We have had a very successful campaign with the Electoral Commission and the Ministry of Justice to ensure that people register for service voting. The level is now at 65 per cent. Can we do more? Yes, we can. We have also put in place emergency provision whereby postal votes for those serving in Afghanistan are given special priority.

T8. [317469] **Miss Anne McIntosh** (Vale of York) (Con): The Defence Secretary will be aware of the contribution made not just to the defence of the country and overseas, but to the local economy, by RAF Linton-on-Ouse and RAF Leeming. RAF Leeming no longer has a fighter jet coming in or out of that station. RAF Linton-on-Ouse is one of only two or three training stations. What future is envisaged for those two RAF stations?

Bill Rammell: The two RAF stations have a future, but rightly, we must look at the most efficient way of operating our assets. I made the point earlier that the Opposition are not committed to spending a penny extra on defence issues. Such criticisms therefore ring somewhat hollow.

Andrew Selous (South-West Bedfordshire) (Con): Has the Secretary of State approached Germany, a wealthy NATO member with relatively few troops on the ground in Afghanistan, for cash contributions towards countries such as ours with a large commitment, and if not, why not?

Mr. Ainsworth: There are well over 4,000 troops from Germany in Afghanistan, and Germany only recently agreed to increase its contribution to the Afghan training effort with an additional 500 troops. Although we would always want all our allies to do more, let us not underestimate the contribution that is being made.

Bob Russell (Colchester) (LD): In the earlier exchanges about the Falkland Islands, no mention was made of Ascension Island and how important that is to the Falklands effort. May I invite the Government to look at the potential strategic importance of the island of St. Helena, also in the south Atlantic, which could be an alternative, should things get hot again in that part of the world?

Bill Rammell: I understand the thrust of the hon. Gentleman's question. Ascension Island remains extremely important to us. I regularly discuss these matters with my colleague, the Minister for Europe.

Ann Winterton (Congleton) (Con): Why is it that after Bosnia, the UK virtually led the field in mine clearance, with the exception of the South Africans, yet we virtually gave away the very effective Chubby sets and now we are behind all other armies and three years behind the Canadians? Was that not a terrible mistake, which has led to unnecessary loss of life in Afghanistan?

Mr. Davies: I do not accept the hon. Lady's remarks at all. We are, in my view, at the forefront of technology in mine clearance and counter-IED effort, and we are collaborating closely on the basis of complete transparency with our key allies in Afghanistan.

Sir Patrick Cormack (South Staffordshire) (Con): Bearing in mind the enormous debt that we owe to those who laid down their lives in the two world wars and the conflicts since, will the Minister support a private Member's Bill, which I propose to introduce on 10 March, to close all shops on Remembrance Sunday, just as they are closed on Christmas day?

Mr. Jones: As someone who is on the record as having enacted legislation to close shops on Christmas day, I sympathise with the hon. Gentleman. I shall look forward to seeing his proposals in due course.

Speaker's Statement

3.30 pm

Mr. Speaker: I have a brief statement to make on a matter of privilege.

On 10 February the Joint Committee on Human Rights made a report to both Houses on a possible contempt. It concerns an attempt to influence the views of certain members of the Committee shortly before it considered a draft report directly relevant to the chair of the Equality and Human Rights Commission.

I have considered a letter from the Chair of the Joint Committee and the report, and I have decided that they raise issues that justify me in giving precedence to a motion relating to them. Accordingly, if the hon. Member for Hendon (Mr. Dismore) tables such a motion, it will be taken as first business tomorrow.

As is customary, I do not intend to take points of order on this matter, or to allow any further discussion on this matter before it comes before the House for decision.

British Passports (Dubai)

3.31 pm

Mr. William Hague (Richmond, Yorks) (Con) *(Urgent Question)*: To ask the Foreign Secretary if he will make a statement on the use of fake British passports by persons implicated in the murder of Mr. Mahmoud al-Mabhouh; the timing of the Government's knowledge of the incident; the process of establishing the facts related to the issue; and the implications for British passport holders.

The Minister for Europe (Chris Bryant): Although new facts continue to emerge, let me set out the facts as we know them.

On 19 January, Mahmoud al-Mabhouh was killed in Dubai. The first press reports about the death appeared on 28 January. On 31 January, the Emirati authorities confirmed to our officials press reports that European—I repeat, European—passports had been used, and undertook to provide us and others with further details as their investigation proceeded. That was followed up by embassy officials in Dubai and Abu Dhabi on several occasions. On 12 February, the Emirati authorities informed UK officials in London that UK passports might—repeat, might—have been involved. On 15 February, they confirmed that and provided the details of six British passports involved. Soon after, on the same day, they provided a full briefing to the media.

On 17 February, the Prime Minister announced a full investigation by the Serious Organised Crime Agency. On 21 February, the Foreign Secretary spoke to Abdullah bin Zayed, the Emirati Foreign Minister, who confirmed that they would be sending us details of at least a further two British passports that might have been involved. That information was received by the Foreign and Commonwealth Office today. It would be wrong of me to prejudge the SOCA investigation, but let me make it crystal clear that no part of the British Government, either Minister or official, had any foreknowledge of Mr. al-Mabhouh's killing, the use of British passports in it or any clandestine operation being planned. To suggest otherwise is to make an irresponsible allegation without any basis in fact.

I know that there is considerable concern among hon. Members about the possible role of the Israeli authorities, so I should set out our exchanges with them. On 18 February, the Israeli ambassador came to the Foreign Office for a meeting with the permanent under-secretary, and earlier this afternoon my right hon. Friend the Foreign Secretary met the Israeli Foreign Minister, Mr. Lieberman, in Brussels. My right hon. Friend underlined the deep discontent felt in this country, in this Government and in this House over this issue. He made it clear that we were concerned about the implications of the killing of Mr. al-Mabhouh for stability in the region. He stressed that we require full co-operation from the Israeli authorities with the SOCA investigation. He said that we stand ready to work with Israel on bringing stability and peace to the middle east, but that we can do so only on the basis of trust and mutual transparency.

Hon. Members are rightly also concerned about the incident's impact on the British nationals involved. I can confirm that our embassy in Tel Aviv has been in

[Chris Bryant]

touch with all six whose passports have already been reported as having been misused. We will do all that we can to ensure that they get the consular support that they need.

Mr. Hague: I am grateful to the Minister. Across the House, we are agreed that the misuse of British passports is a grave matter that must be prevented. I have three quick sets of questions.

On the timing, can the Minister clear up the discrepancy between the Dubai police saying on 30 January,

"we have the identities of the people involved"

and

"are approaching all the channels including embassies and consulates",

and the Government's insisting that they knew nothing of the forged identities until 16 days later? Was it simply that the police did not pass on those identities, what efforts were made to secure them, and why does the Minister think that the information was not supplied for so long? Yesterday, the Dubai authorities indicated that diplomatic passports may have been used by other suspects, without naming any other country. Is that the matter to which the Minister referred in relation to the information obtained from Sheikh Abdullah bin Zayed yesterday?

On the wider implications, is the Minister concerned that relations with the United Arab Emirates have been damaged by these events? Our ambassador was summoned to its Foreign Ministry yesterday; can the Minister say what message was delivered? It has been reported that the cloned passports contained irregularities which could have marked them out as suspect. What plans are there to guard against the future fraudulent use of British passports?

Finally, looking to the future, have the Government sought, or has the Foreign Secretary sought in his meeting with Mr. Lieberman today, assurances from Israel, as a friendly nation, that it will not sanction, for whatever reason, including in any intelligence operations, the misuse of British passports?

Chris Bryant: I am grateful to the right hon. Gentleman for his comments. I should apologise on behalf of the Foreign Secretary, who would obviously have been giving this reply were it not for the fact that he is in Brussels for the Foreign Affairs Council and the meeting with Mr. Lieberman.

The right hon. Gentleman asked about the discrepancy, as he called it, between what has been said about what information was provided on 31 January and on 15 February. Let me repeat that what had been said in the press, namely that some European—I repeat, European, and not specifically UK—passports might have been used, was confirmed to us on 31 January. It was not until 15 February that the Emirati authorities confirmed what they had said on 12 February only might be the case, namely that UK passports might have been used.

To answer directly the right hon. Gentleman's question about whether the two passports to which I have been referring and the added information that we have provided today relate to the question of whether diplomatic passports might have been involved: no, that is not the point at issue.

The right hon. Gentleman is right to raise the matter of relations with the United Arab Emirates—an ally with which we want to work as closely as possible. We have sought to give full assurances that we had absolutely no foreknowledge of this situation. Any suggestions in the media that we might have had any foreknowledge are completely untrue and unjust. I think that our colleagues in the United Arab Emirates have taken our assurances in the spirit in which they were intended.

The right hon. Gentleman asked about the future use of passports and what work needs to be done. I am very keen not to prejudge the SOCA investigation and, for that matter, the Emirati investigation, both of which need to be allowed to pursue their courses fully so that they can get to the bottom of all the matters involved.

Nick Harvey (North Devon) (LD): There is widespread concern at the misuse of British passports, or cloned passports, in this matter, and I thank the Minister for his assurance that the authorities will continue to investigate it with the utmost thoroughness. However, there is even wider concern about the unlawful killing itself. I welcome the fact that the Foreign Secretary has communicated disquiet to the Israelis about this matter. I urge the Government to continue to do that, but not to lose sight of the wider picture: blockade of Gaza and the illegal settlements on the west bank, despite the best efforts of President Obama to dissuade Israel, are the greater issues. In putting pressure on the Israelis as best we are able, we must keep open a productive dialogue so that those wider issues can be pursued with the utmost diligence.

Chris Bryant: I am grateful to the hon. Gentleman for his comments. He is absolutely right: we consider ourselves to be a critical friend to Israel, and the emphasis is fully on both those words. That means that we have expressed very fully and regularly our unhappiness about the humanitarian situation in Gaza and what we believe to be unfair treatment of the Palestinians. We have also made it clear that we wholeheartedly disagree with the illegal settlements on the west bank and with the annexation of East Jerusalem. I should also say that the European Union made clear today its views on the killing, and we wholeheartedly supported its statements.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Will my hon. Friend tell me when the international community will take action to deal with the crimes committed by this rogue state of Israel, which sends out assassination squads; which, as I have seen for myself, imprisons and blockades 1.5 million people in Gaza in violation of the Geneva convention; and which persistently violates international law by building settlements in Jerusalem and on the west bank? If it were any other country, would we not by now have imposed sanctions and an arms ban?

Chris Bryant: My right hon. Friend speaks very forcefully on this issue, knows well the situation in Israel and has visited on many occasions, but I do not want to speculate about what may or may not be the precise facts of the situation. We need to ensure that the investigations conducted by SOCA and the Emirati authorities are pursued with diligence, and that the Israeli authorities co-operate fully with those investigations. As I said to

the hon. Member for North Devon (Nick Harvey), we make clear on a regular basis our opposition to some of the policies advocated by the Israeli Government that do not promote security for Israel or stability, as we see it, in the region.

Mr. Hugo Swire (East Devon) (Con): Does the Minister not share the concern of many about the comments of senior members of Hamas that there could well be an escalation of violence between Hamas and the Israelis anywhere in the world? What can the Government, and specifically the Foreign Secretary in his discussions with Mr. Lieberman this afternoon, do to try to prevent such a happening?

Chris Bryant: Of course we oppose the militant position adopted by Hamas. We have said regularly that we would be only too happy to speak to Hamas if it were possible to do so once it had adopted the four conditions laid down by the Quartet. That is why we believe that situations such as this do not contribute to the middle east peace process. Nor, for that matter, do the attacks that have been undertaken by Hamas.

Keith Vaz (Leicester, East) (Lab): Will the Minister confirm that he has had a conversation with the Home Secretary or Ministers in the Home Office about the forging of passports? Last Friday, one of my constituents came to see me. He had received his new British passport, which had a picture of somebody 30 years younger than him—a completely different person. I am not suggesting that it was a forgery, because it was clearly a mistake, but the issue of passport forgery in this country is also very important.

Chris Bryant: My right hon. Friend makes an important point. The integrity of the British passport system is absolutely vital to our security, and we are determined to do everything we can to ensure that we are ahead of the game in knowing what terrorists may try to do to undermine it. I have not spoken to the Home Secretary, but I have spoken to officials in the Home Office today, and one of the major points that the SOCA inquiry will need to investigate is how we can ensure that such a situation could not be repeated.

Sir Menzies Campbell (North-East Fife) (LD): I cannot resist the temptation to say that if there are any passports in the Home Office with photographs of someone 30 years younger than myself, I should be very happy to receive one.

More seriously, what undertakings have the Israeli Government given about providing the co-operation that the British Government seek from them? Will Her Majesty's Government make public either the results of any such co-operation or a failure to provide it?

Chris Bryant: The right hon. and learned Gentleman is doubtless about to produce his election literature, and I hope that he will not use photographs that are 30 years old, although that is common practice among some of his colleagues.

As the right hon. and learned Gentleman says, we need to ensure that we have full co-operation with the SOCA report from the Israeli authorities. When speaking to my right hon. Friend the Foreign Secretary this afternoon, the Israeli Minister was left in absolutely no doubt about that, as was the ambassador when he came to see the permanent under-secretary last week.

Prisons (Early Release)

3.45 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): With permission, Mr Speaker, I should like to make a statement on the release of prisoners under the early release scheme, which is known as the end-of-custody licence. The scheme will be brought to an end on 12 March this year. All prisoners who are eligible for release on ECL on or before 12 March will be so released. Prisoners who have, as of today, been formally notified, under form ECL3, of release dates under the scheme up to and including 9 April, will also be released. No prisoners will be released on ECL from and including 10 April.

In the past 13 years, the prison population has increased dramatically. When I became Home Secretary in May 1997, the population stood at 60,300; the most recently published figure—that of 19 February—was 83,800. Predicting the prison population and matching places to meet demand has always been difficult and inevitably imprecise. I can certainly recall, during my first 18 years in the House, early release schemes on three separate occasions—in 1984, 1987 and 1991—when the Government of the day faced what amounted to crises in handling pressures on the prison population.

In June 2007, my predecessor as Justice Secretary, my right hon. and noble Friend Lord Falconer, introduced ECL to manage temporary pressure on the prison estate and to guarantee that prison places were available for all those sentenced to custody. ECL enabled prison governors, under existing prison rules, to release on licence up to 18 days before the end of their sentence offenders who had been given a determinate prison sentence of between four weeks and four years. The scheme specifically excluded offenders convicted of serious violent crimes or sexual offences subject to registration requirements; those who had broken the terms of temporary release in the past; and foreign national prisoners who would be subject to deportation at the end of their sentence. The scheme was later amended to exclude anyone convicted of terrorism-related offences.

ECL was explicitly introduced as a temporary measure. I have always said that we would end the scheme as soon as we could and recognised that, although necessary as a temporary measure, it was inherently unsatisfactory and potentially damaging to public confidence in justice—public confidence that is otherwise reasonably high and rising, particularly in the light of falling crime levels. I have told the House on a number of occasions that I would bring ECL to an end as soon as I judged that it was safe to do so. My right hon. Friend the Prime Minister has underlined that, for example on 7 May 2008, when he said at Prime Minister's questions:

"When we have built up the number of prison places"

to

"86,000...we will make...decisions on the right thing...about early release." —[*Official Report*, 7 May 2008; Vol. 475, c. 696.]

We are now at that point, and we are there because we have worked hard to increase the capacity of the prison estate.

In consequence of the measures that we have taken, prisoners have not been held under Operation Safeguard in police cells since September 2008, or been held in court cells since February 2008. The House might wish to compare the situation with that in 1991 when, as I recall, a total of nearly 376,000 nights were spent by prisoners in police or court cells.

Twenty-seven thousand additional prison places have been provided since 1997, including 6,700 since April 2007. We now have well over 86,000 places by way of operational capacity, with headroom of around 2,500. We anticipate that withdrawing the ECL scheme will increase the prison population by between 1,000 and 1,200 prisoners. My assessment is that on the basis of our plans further to increase the capacity of the prison estate, we can safely manage the forecast prison population this year, in 2011-12 and beyond, and we are on track to provide a total of 96,000 places by 2014 through our capacity building programmes.

Given the headroom available in the estate, we are therefore in a position to end the scheme, but that does not mean that there is no longer pressure on prison places. The system continues to operate at levels that are close to capacity. I pay tribute to all those who work so hard to protect public safety and help offenders to turn their lives around.

Protecting the public is the first priority of this Government. We have acted decisively to tackle crime, and the use of prison has been central to that. Prison will always be the right place for the most serious, persistent and violent offenders, and it is vital if we are to protect the public properly. There are 75 per cent. more serious and violent offenders in prison now than in 1997, and people who commit serious offences are going to prison for longer. I recently announced that, as a result of decisions by the judiciary, the minimum tariff for murderers had been increased by three years, or 18 per cent. Indeterminate sentences have been introduced for the most dangerous offenders—more than 5,000 have been imposed by the courts in the first three years of the scheme—and we will continue to ensure that there are places for them.

At the same time, we have introduced tougher, more visible and more effective community sentences, and we are giving communities a say in the types of projects that offenders carry out. In the case of less serious offenders, such non-custodial sentences are often a better alternative to prison, in turning offenders away from crime and further cutting reoffending rates. However, whether a particular offender is to be given a non-custodial or a custodial sentence is, of course, always a matter for the judges or magistrates concerned, and not for Ministers.

We are also working hard to implement the findings of the Corston and Bradley reviews on women and mentally ill offenders. I am certain that in such cases diversion from prison is often the best approach for both the offender and the wider community. We will continue to examine the number of women and mentally ill people in prison.

As a result of the Government's strategy, there has been an overall fall in crime of 36 per cent. since 1997. That is the most substantial and sustained reduction since the war. Violent crime is down by 41 per cent. according to the British crime survey, the most reliable measure, and the chances of being a victim are at their lowest for a generation. We have transformed the justice system into a public service that is focused on the needs of victims and the law-abiding majority, and we will continue to do so. I commend my statement to the House.

Mr. Dominic Grieve (Beaconsfield) (Con): I thank the Justice Secretary for allowing me advance sight of his statement.

Conservative Members have been calling for an end to the Government's reckless early release scheme for some time. In principle, therefore, the statement is welcome, but, as always with this Government, it is necessary to check the fine print. The House will recall that the introduction of the early release scheme was a direct result of the present Prime Minister's failure. As Chancellor, he choked funding for the prison cells for which the Home Secretary had asked to provide the capacity that was required to meet official projections for the prison population. The consequence of that failure has been stark. Eighty thousand criminals were let out of jail early, including 15,000 violent offenders and two terrorists, and those released went on to commit 1,500 crimes, including several rape and murder offences.

Given that record, it is vital to bring the scheme to a close by providing the cells that are needed to house the prisoners and protect the public; yet, over the past six months, the Justice Secretary has shelved plans for a prison in north Wales and, more recently, for one in Dagenham. That leaves a gaping hole in the Government's plans. Can the Justice Secretary confirm that, according to the Government's own projections—taking account of planned increases in capacity—the prison population will still exceed operational capacity by July 2011? Those are his Department's projections. Can he please confirm them?

Not only do we have the Department's projections; I have personally received a letter complaining that the Justice Secretary has been warned by his own officials that the prison population will continue to rise without adequate capacity, and that that will create a crisis of overcrowding within two years. The Justice Secretary has a track record of ignoring Government legal advice. Can he say categorically that he has not received any official advice warning that ending early release cannot be sustained for more than a temporary period?

Today, the Minister of State, Ministry of Justice, the hon. Member for Liverpool, Garston (Maria Eagle) has also released a written statement to the House, announcing a new contract that will promote the use of home detention curfews. The Minister is explicit. She says that the Government want

"courts and prison governors to make greater use of conditional bail and early release on Home Detention Curfew".

It seems that the Justice Secretary gives with one hand and takes with the other, or perhaps his right hand does not know what his left hand is doing. Can he confirm what that means and whether we will in fact have more early release under another label? Let there be no doubt that this party wants an end to early release, but it would compound the recklessness of the scheme to end it if that can only be done temporarily, or to reintroduce it under another name.

On 9 February, I asked the Minister of State whether the Government had plans to end early release. She denied such plans, stating that the Government would end early release

"as soon as practically possible".—[*Official Report*, 9 February 2010; Vol. 505, c. 742.]

In less than two weeks, what has rendered possible what was then practically impossible? The timing of the end of the scheme, just weeks before an election is called, only increases our fears that the Government are acting out of political desperation and not in the national interest. Is the Justice Secretary talking tough on crime before the election because he certainly does not care a bit if the result is tough on us after it?

Mr. Straw: The Opposition need to work out whether they are in favour of or against our ending the scheme. Only on Saturday, the Leader of the Opposition said that he wanted to see an end to the early release scheme. I assume that he took advice from his shadow Justice Secretary about whether it would be safe to do so before he said that. The projections up to 2015 for the future operational capacity of prisons are public. I have been supplying the hon. and learned Gentleman with as much additional information as I can in recent weeks by way of answers to parliamentary questions.

I have of course taken advice, but this is my responsibility. I have made what I regard as the safe judgment that it is appropriate to end the scheme now. Ever since it was introduced, the Conservatives have been calling for it to end. Back in October 2007, the Opposition went so far as to issue a public statement saying that early release should be ended immediately. That would have been irresponsible, because the figures did not back it up. Every week, the Minister of State, Ministry of Justice, my hon. Friend the Member for Liverpool, Garston (Maria Eagle) and I examine the figures, and some weeks ago we came to the conclusion that it probably would be safe to end this scheme and that there would be sufficient headroom, not just tomorrow but in the future. We now judge it appropriate to end the scheme.

As for the examination of the basis of these proposals, I will not disclose official advice. It would be a strange constitutional doctrine under which Ministers had to explain the official advice that they have received. I am perfectly happy, however, to ensure that the full facts are made available for examination by the Justice Committee, because I am entirely comfortable about the responsible nature of the projections that we have made.

As for the hon. and learned Gentleman's last point, which was frankly silly, when he spoke about so-called political desperation, the only desperation that I now see is that emanating from those on the Conservative Benches. Because the Opposition do not know what their policy is, and to the extent that they do know what it is, they change it—

The Minister of State, Ministry of Justice (Maria Eagle): Every week.

Mr. Straw: Almost every week. Or, because in the case of justice policy the Leader of the Opposition says that he wants to increase the prison population, whereas his shadow Justice Secretary says that he wants to cut the population to 44,000, it is no wonder that the Opposition are facing, and are in panic about, a fast-diminishing opinion poll lead. We have acted sensibly.

Let me make this last point about the problems that we had in the summer of 2007. They were nothing as compared with the problems that arose repeatedly during the 1980s and 1990s. Such problems can arise because the actual prison population can vary significantly. If the hon. and learned Gentleman looks at the latest population projections for 2014, he will see that they

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differ significantly even from the projections of a year or two years ago. However, I repeat to the House: I am clear that we are taking a sensible and responsible approach for the medium term.

David Howarth (Cambridge) (LD): I also thank the Secretary of State for early sight of his statement. However, I notice from the statement that he is still trying to claim that crime has fallen under this Government because of their prison expansion policy. The truth is that crime started to fall in 1995, not 1997, and that it has fallen in all western European countries apart from Belgium, whether or not they have gone in for a massive prison-building programme. Will he not concede that although the chances of becoming a victim of crime have fallen substantially, as he said, the chances of becoming a victim of crime in this country are still far higher than the European average, and higher than in all western European countries except one? That is not a successful policy; it is an expensive failure.

I welcome the end of the early release scheme, but the problem with the Secretary of State's statement is that he confirmed that the Government's policy is still to increase the prison population towards 100,000. An extra 10,000 prison places will mean about £400 million a year in running costs. We all know that some offenders have to be in prison, but we also know that there are non-custodial sentences—restorative justice is the best example—that are better at reducing reoffending. The cost of restorative justice for the whole country would be only about £60 million. Why can the Secretary of State not accept the conclusion of the Shapland review, which is that restorative justice would be better value for money? In an interview with *The Times* on becoming Secretary of State, the right hon. Gentleman said:

"we cannot...build our way out of prison overcrowding".

He was right then. What has changed now, apart from the looming election?

Let me take the Secretary of State through the detail of the figures. He said that the figures would allow headroom for a number of years, but they do not seem to fit with the figures that the Ministry of Justice gave the Prison Reform Trust last year. The prison population then was 111 per cent. of certified normal accommodation. Where, precisely, have the extra places come from? Is the Secretary of State just allowing more doubling up in cells, which is just another form of overcrowding?

I do not agree with the hon. and learned Member for Beaconsfield (Mr. Grieve) that the end of the scheme will reduce crime by very much, because the crimes committed in those 18 days would probably be committed anyway, 18 days later. However, I accept that the end of the scheme will reduce risks, because it means that fewer prisoners will be released without proper supervision. However, is not the real problem the reoffending rate of all prisoners? Two thirds of prisoners are reconvicted within two years of release, while 75 per cent. of young prisoners are reconvicted in that time. Does the Secretary of State not accept that the real problem is not earlier or later release, but the fact that too many offenders reoffend in the first place, regardless of whether prisoners are released early?

Mr. Straw: I readily acknowledge that crime has fallen since 1995. It is my judgment that it began to fall because of the rather more coherent policies that were adopted towards the end of the Conservative Administration, including an increase in prison building, and it has continued to fall because of that. I do not claim—I never have done—that having more prison places is the only factor that has led to falling crime. There have been others—much more effective policing; neighbourhood policing; a wider range of powers to deal with persistent antisocial behaviour; and reform of the youth justice system, plus other measures in education and health—all of which have borne down on offending.

However, I believe that there is a connection between the fact that the prison population has risen and the fact that crime has fallen. The hon. Gentleman will know that, in his own constituency, there were persistent offenders who represented individual crime waves, and that when they were locked up, crime went down. If he does not believe that, I suggest that he go through the local newspaper or the court records, and then tell the *Cambridge Evening News* which of those offenders he believes would be better out on the streets than inside. He owes it to his constituents to let them know about that well before the date of any general election.

The hon. Gentleman has conceded that our victimisation levels are now lower than they have been since the British crime survey started in 1981. If he wishes to make a comparison, he will see from the Eurostat figures that our levels of recording of crimes of victimisation are significantly better than in many other areas, and that the levels are falling.

So far as restorative justice is concerned, yes, I am an enthusiast, but none of these measures is a panacea. Yes, we need to get reoffending rates down, and we have been doing so; they are falling. The rate for young offenders is down 20 per cent., and we have seen a significant drop in the number of youngsters coming into the youth justice system for the first time. That is one of the reasons why there is less pressure on the youth justice estate, and that is very welcome. The Minister of State, my hon. Friend the Member for Liverpool, Garston has done great work in regard to women in prison, and their numbers have also gone down, not up.

Certified normal accommodation is nice to have, but the truth is that we cannot run an effective, efficient prison system by not having accommodation levels above CNA. All Administrations have used operational capacity, and we will continue to do so.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): I warmly welcome my right hon. Friend's statement today, including what he said about women prisoners and the mentally ill. I urge him to redouble the efforts of his Department to reduce offending and reoffending. If the example of violence reduction in Cardiff were followed right across England and Wales, would that not reduce the need for prison places and enable prisons to be used more effectively to reduce subsequent reoffending, as the Justice Select Committee has argued?

Mr. Straw: I strongly endorse what my right hon. Friend has said. This gives me an opportunity to commend the work of Professor Jonathan Shepherd in Cardiff. He has made a huge effort to cut down the incidence of violent crime in Cardiff, and also, when violent crime does take place, to reduce the injuries. His work has had a dramatic effect, and it should be studied and followed elsewhere in the country.

Sir Alan Beith (Berwick-upon-Tweed) (LD): The Secretary of State is right to end the early release scheme, which is not a sound or evidence-based policy, but should not he and those on the Opposition Front Bench also recognise that the prison population will always expand to fill the places available? Making those places available is an expensive process that pre-empts resources that need to be used to prevent people from getting involved in crime, and in the addictions and alcoholism that are the source of much crime, in the first place. Will he look carefully at the Justice Committee's report on justice reinvestment in that regard?

Mr. Straw: I will indeed look carefully at what the Justice Committee has said, and I hope to follow many of its recommendations. I am afraid, however, that I do not accept the basis of the right hon. Gentleman's statement that the prison population expands to fill the places available. For example, that has not been the experience in respect of women's prisons, which now have 800 spare places, thanks to the work of the Minister of State, my hon. Friend the Member for Liverpool, Garston on implementing the recommendations of the Corston review, with all-party support. That is very good. We are also reducing the number of mentally ill people in prison.

If the right hon. Gentleman cares to compare the latest prison population projections, which came out in August 2009, with those for the same years that were published in 2008 and 2007, he will see that—coincidentally with our increasing capacity—they have come down. Obviously, the closer we get to the end dates, the more reliable the projections are. I am pleased to reassure him that his central assertion is not borne out by the facts.

Mrs. Ann Cryer (Keighley) (Lab): Will my right hon. Friend expand a little more on his thoughts on restorative justice, which the hon. Member for Cambridge (David Howarth) mentioned earlier? I visited Canada a couple of years ago with the Commonwealth Parliamentary Association, and I met the chief of police for Toronto. He has real enthusiasm for restorative justice, whereby the offender meets the victim and learns what damage he or she has done to the victim's life. Apparently, the reoffending rate in Toronto went down from about 80 per cent. to 35 per cent. as a result of that policy.

Mr. Straw: As I told the hon. Member for Cambridge, I am an enthusiast for restorative justice; I have seen it work. It is central to many of the non-custodial sentences available in the youth courts, and we are trying to extend it to the adult courts as well. Again, I should say that none of these proposals and measures will work in all circumstances. Restorative justice always requires the consent of the victim, without which it cannot take place. So far as its effectiveness is concerned, available assessments to date show that it does not necessarily have a significantly different effect on reoffending rates when compared with other disposals. It does, however, significantly increase the confidence of the victims; I regard that alone as a sufficient justification for it, but if we can get crime down as well, so much the better.

Hywel Williams (Caernarfon) (PC): We in Plaid Cymru welcome the end of the scheme, of which we were very critical. On the capacity issue, what progress is being made on the renewed search for a site for a new prison in north Wales?

Mr. Straw: The Minister of State, my hon. Friend the Member for Liverpool, Garston has the happy task of finding another site, but I should tell the hon. Gentleman and the hon. and learned Member for Beaconsfield (Mr. Grieve) that finding sites is difficult—it always has been—because everybody says that they want more prison places unless and until it is suggested that such prison places be provided in their back yard, at which point they complain vocally. We looked at two sites in north Wales, one of which I judged to be really good, but the local community was not happy about it. Another site was judged to be less good, but we went for it. However, it has turned out not to be satisfactory, so we continue to look for a further site. A similar problem has arisen in Dagenham. Indeed, the only area in the country that has been willing to back its rhetorical calls for more prison places with pledges that sites will be found is east Lancashire, including the towns of Blackburn, Accrington, Burnley, Nelson and Colne.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I welcome what I think is a sensible and timely announcement, and I am sure that if there were more Members on the Opposition Benches, or indeed any Members on those Benches, they would do so, too. May I press my right hon. Friend a little further on what he said about the reduction of the women prison population and about some of the lessons that were clearly learned from that? Are there any things that he felt led to that reduction that could be actively transferred to the male prison population?

Mr. Straw: Yes, there are, but my hon. Friend has put me on the spot. I will have to write to her in some detail as the expert is in her place on my left. The key is about sentencer confidence. What we have managed to do—through the excellent work of the Corston report, followed by the excellent work of my ministerial colleague, my hon. Friend the Member for Liverpool, Garston and as a result of the all-party consensus in favour of reducing the women's prison population—is to build up sentencer confidence about the alternatives to prison. It is more straightforward with women prisoners, as many fewer women offenders who are potential candidates for custody have committed violent offences; whereas one of the principal reasons for jailing male prisoners is their propensity to violence. I will write to my hon. Friend with a better and more accurate answer.

Bob Spink (Castle Point) (Ind): The Justice Secretary is right to focus on public confidence, but he surely accepts that the public will not be truly confident until we genuinely and directly link prisoner early release with prisoner behaviour during their time as prisoners and the likelihood of them reoffending and being a danger to the public. Will the right hon. Gentleman work with me and others in the House to try to get honest sentencing at some time in the future?

Mr. Straw: I accept the hon. Gentleman's key point. One criticism we all had about this early release scheme—the end of custody licence—was that if prisoners fitted the criteria, they had to be released, because that was the only way to operate the scheme. Other systems of early release—for example, home detention curfew—are very much dependent on good behaviour in prison and outside, and they work effectively.

[Mr. Straw]

On honesty in sentencing, which is a holy grail for all Administrations, the Criminal Justice Act 2003 requires sentences to spell out what they mean. Given that prisoners with determinate sentences serve a minimum of half the sentence, we could change the sentence denomination to say that when a four-year sentence is given, it would mean two to four years. We could put that into law. That may be sensible; indeed, that approach has been adopted for the indefinite sentence for public protection, where the tariff set is the minimum that has to be served. There is merit in that. However, it would not be sensible to imply that we were going to double the prison population, because there are not the places.

Points of Order

4.16 pm

Bob Spink (Castle Point) (Ind): On a point of order, Mr. Speaker. I am sorry to trouble you yet again, but can you help me please? Recently, Tories visited my constituency improperly for the fifth time without informing me—this time it was the hon. Member for Epsom and Ewell (Chris Grayling). They are ignoring your injunctions. They are either incompetent or wilfully and arrogantly holding your authority in contempt, and they are insulting Castle Point people, who expect us in this House to act with decency.

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. The convention is clear, and I have reiterated it on innumerable occasions. The hon. Gentleman has made his point with his customary force. It is on the record and I dare say that the hon. Member for Epsom and Ewell (Chris Grayling) will have heard it. I think that I need add nothing more. I am grateful to the hon. Gentleman.

Natascha Engel (North-East Derbyshire) (Lab): On a point of order, Mr. Speaker. If Members do not use up the 12-minute limit that you have imposed on speeches in the main debate or if fewer Members than anticipated speak, will that limit fall?

Mr. Speaker: It is always a slightly tricky business to seek to get ahead of oneself and to deal with a question that, at this stage, is hypothetical. It is not for me to have views, as the hon. Lady knows, but perhaps I can just speculate that in the light of the number of people who have expressed an interest in contributing to the debate, the scenario that she outlines seems unlikely to materialise. I think that we will leave it at that for the time being. We will proceed to the main business.

Report from the House of Commons Reform Committee on Rebuilding the House

[Relevant documents: The First Report from the Committee on the Reform of the House of Commons, Session 2008-09, on Rebuilding the House, HC 1117, and the uncorrected transcript of oral evidence taken before the Committee on 10 February 2010, HC 372-i. The First Report from the Liaison Committee, Session 2009-10, on Rebuilding the House: Select Committee Issues, HC 272.]

Mr. Speaker: As the House will be aware, I have imposed a 12-minute limit on Back-Bench contributions. I hope that the House will also understand that that limit will apply after the contribution by the hon. Member for Cannock Chase (Dr. Wright). I call the Leader of the House.

4.18 pm

The Leader of the House of Commons (Ms Harriet Harman): I beg to move,

That this House has considered the matter of the report from the House of Commons Reform Committee on rebuilding the House.

This is going to be an important day in the history of reform of this House. If, as I hope, we take forward the reforms which we are debating today, this will be the most far-reaching package of reforms that has ever been agreed. We will debate the reforms today, and then we will return to these issues next week, on 4 March, to vote.

The House needs reform to give more power to Back Benchers and to give the House more power over the Government. And the House needs reform to help restore its reputation, which has been battered by the expenses revelations.

This is House business; it is not Government business. When we come to vote on Thursday next week, it will be a free vote for Labour Members, not a whipped vote.

Sir Patrick Cormack (South Staffordshire) (Con): Will the Leader of the House spell out in a little more detail how she envisages our business on next Thursday will be conducted? Will this be our sole business, followed by a vote, or will there be topical debates and other business beforehand? I know that the right hon. and learned Lady will agree that not only must there be a free vote, but as many Members as possible should vote, and it would therefore be extremely helpful if we were to have as much notice about this as possible.

Ms Harman: If the hon. Gentleman will allow me, I can get on with explaining how I want to take this business forward, and I hope I will be able to answer most questions before they are asked.

Mr. William Cash (Stone) (Con): On a point of order, Mr. Speaker. I gave you advance notice of a matter relating to Standing Order No. 24B that causes me a good deal of concern. I tried to table a manuscript amendment because it seems to me that we must be able to ensure that an amendment can be put to this motion in order to guarantee that the Standing Orders are not simply with the Executive, but revert to the Speaker himself. I would be grateful if you would take that point on board, Mr. Speaker, because it lies at the heart of the debate we are about to engage in.

Mr. Speaker: I am grateful to the hon. Gentleman for raising this matter, although I am not sure that I am all together grateful to him for raising it when he did, as the debate has already begun and, although the hon. Gentleman is not technically out of order, it is a little discourteous to raise a point of order when the Leader of the House has already started her speech. I hope we will not see a repetition of that, but let me address this matter as I understand it. I understand that the hon. Gentleman did, indeed, seek to table an amendment to the motion on the Order Paper, and what I say to him is that I think he will know from his extensive knowledge of procedure that Standing Order No. 24B provides that when such a motion is tabled

"in neutral terms, then no amendments may be tabled to it."

I hope the hon. Gentleman will have an opportunity to make his substantive point later in the debate. Meanwhile, however, I call the Leader of the House.

Ms Harman: Thank you, Mr. Speaker.

As I was saying, this is House business, not Government business, and when we come to vote on Thursday next week, from our side it will be a free vote, not a whipped vote. However, I want to set out to the House—

Sir Alan Beith (Berwick-upon-Tweed) (LD): Will the Leader of the House give way?

Ms Harman: I think it might be helpful if I get on with delivering my short speech, because, at the end of the day, it is for all hon. Members not to ask me what I think, but to work out for themselves what they think about the motions on the Order Paper. I will therefore press on with my speech, and then the right hon. Gentleman will be able to work out for—

Sir Alan Beith *rose*—

Ms Harman: I will give way to the right hon. Gentleman, but I will not give way to any other Member.

Sir Alan Beith: I am very grateful to the Leader of the House, as what I want to say relates precisely to the point she has just raised. She said this would not be a whipped vote. We have had votes before that were said not to be whipped votes, but at which people bearing a striking resemblance to Government Whips were visible outside the Lobby giving general directions to Government party Members as to where they would like them to go. Will that happen on this occasion?

Ms Harman: This is not going to be a whipped vote; it will be a free vote. If people want to accept advice from dear friends and colleagues of any political party, they can do so, but the serious point here is that this will not be a whipped vote. I should also point out that in some of the votes to which the right hon. Gentleman has referred, he will have seen that different members of the Government went into a different Lobby and, indeed, different members of the Whips Office went into a different Lobby, so the fact that there might be lively debate at the entrance to the Lobby does not mean votes are not free votes. I want it to be absolutely clear that, from our side, this will be a free vote, not a whipped vote, and there is nothing mysterious about that.

[Ms Harman]

I want to set out to the House my views, in particular on the four key recommendations of the House of Commons Reform Committee. Before the general election, I want us to have done the following: to have approved and put in place plans to elect Chairs of Select Committees by secret ballot and to elect members of Select Committees by each party in the House by a secret ballot; to have provided for Members' motions, where Members can table a debate on a motion that the House will vote on; and to have established a Committee of the House to decide on Back-Bench business. Those are the four key recommendations of the House of Commons Reform Committee that I would like the House to take through. These measures will mark a major step forward in the process of reform that has been under way over the past years, and which was given new impetus by the Prime Minister in his statement of 3 July 2007, when he said:

"All Members of this House and all the people of this country have a shared interest in building trust in our democracy, and it is my hope that, by working together for change in a spirit that takes us beyond parties and beyond partisanship, we can agree a new British constitutional settlement that entrusts more power to Parliament and the British people."—[*Official Report*, 3 July 2007; Vol. 462, c. 815.]

This process of reform has—

Hilary Armstrong (North-West Durham) (Lab): I am sorry to interrupt, because I know that my right hon. and learned Friend wishes to be brief in order to allow hon. Members to contribute. I believe that underlying much of the report without being mentioned—I have said this to the Committee—is the slippery slope to the separation of powers. Will she reaffirm that she and others in the Government do not want to see the Executive removed from this House and do not want to see the future of this House put in the hands of personalities who do not have the loyalty to values that they told their electorate they came in to share?

Ms Harman: I do not think that the proposals from the Committee, which I am supporting, are the slippery slope to the separation of powers; what they are is an opportunity for this House to hold the Government more to account and to help in the work of this House.

Indeed, that process of reform has brought major changes over the past 13 years, including improvements in the process of legislation. Such improvements have included: Bills being published in draft, thus enabling pre-legislative scrutiny; Bill Committees taking evidence in public sessions before they deliberate on a Bill; and the establishment of a new system of post-legislative scrutiny, so that we check on the impact of legislation that the House has passed.

The changes have involved more power for Back Benchers, through their being able to ask a Minister questions without giving notice; through the election of the Speaker by secret ballot; through the Liaison Committee of Select Committee Chairs questioning the Prime Minister twice a year; and through the strengthening of Select Committees by increasing research resources and by paying Select Committee Chairs.

Progress has been made on getting greater public involvement in and understanding of this House. That has come about through a big improvement in our education and information programmes, and by allowing the UK Youth Parliament to meet in this Chamber. I hope we can build on that by letting other organisations, for example, the pensioners annual convention, to meet in our Chamber when we are not sitting.

Mr. Andrew Tyrie (Chichester) (Con) *rose—*

Ms Harman: No, I am not going to give way.

Improvements have been made to the way in which the House works, for example, we now have an earlier start and an earlier finish on two days of the week—we could still make more progress on this, and perhaps we will when the new Members arrive after the next election. We also now have an Order Paper that Members can understand and, thanks in large part to you, Mr. Speaker, we will at long last have a nursery for the children of Members and of House staff.

Mr. Tyrie *rose—*

Ms Harman: I am not going to give way to the hon. Gentleman. He really does not need to ask me any questions, because he can read the Order Paper, he can make his own speech and he can make up his own mind. I am sure that he has the answer to his own question.

So we are not starting from scratch. The proposals that the House will consider today and next week are not the beginning of reform, nor will they be the end of it. However, they are substantial reforms, and I should like warmly to thank my hon. Friend the Member for Cannock Chase (Dr. Wright) for making the suggestion of setting up this Committee and for accepting the Prime Minister's invitation that he should chair it. I should also like to thank the members of the Committee for working hard in a short space of time.

I know that many Members are waiting to speak, so I will not speak at great length today. In addition, this is House business, so it is important for all Members from all parts of the House to have their say. Members will have had the chance to see my written ministerial statement of 9 February and some will have had the opportunity to hear the evidence that I gave to the House of Commons Reform Committee on 10 February, and I have had the opportunity on successive Thursdays at business questions to set out my views. The Deputy Leader of the House and I will listen carefully to the debate, but at the end of the day—or at least at the end of 4 March—this is a matter for the House, not the Government, and it is for the House itself to decide. The Government are facilitators here, not deciders. Because we want to see further reform of the House, we have taken this forward by doing the following: bringing the motion to the House to set up the House of Commons Reform Committee—that was a Government initiative—tabling motions on 5 February, again that was a Government initiative; tabling this debate today; and providing for the votes next week.

I want to say a few words about the process that I have set out for making progress. The Committee reported at the end of November last year. We then identified 21 proposals that could be turned into motions and we have accordingly tabled 16 motions to give effect to those 21 proposals. We tabled those motions 17 days before this debate to give plenty of time for hon. Members to consider them and to table and support amendments.

I have told the House that, in particular, we want to see the four "big ticket" items taken forward. There are, therefore, on the Order Paper motions that would, if passed, mandate further work or give effect to those four big ticket items by making the changes to Standing Orders and other changes that are required. I thought that it was important to have those motions on the Order Paper today for three reasons. First, they constitute the Government's response to the Reform of the House of Commons Committee's report. Secondly, they frame the debate today. Thirdly, when we conclude the debate tonight we have the opportunity for at least some of the motions—if everyone agrees to them—to go through on the nod. By leaving the substantive votes to next week, I have spared the House the prospect of starting what might turn into a series of 20 or more votes at 10 o'clock tonight.

Mr. Peter Bone (Wellingborough) (Con): What is wrong with that?

Ms Harman: I do not think that it is in the interest of the House for us to be voting until 5 o'clock in the morning on these proposals. The hon. Gentleman should be reassured that any motions that are not agreed to tonight will be tabled as substantive motions for debate and vote on 4 March, and there will be a series of votes on those motions and on the amendments to them. We will have a full day's debate today. Any motions that are not objected to will become resolutions of the House.

Sir George Young (North-West Hampshire) (Con): What about the resolutions that the right hon. and learned Lady has not tabled today to implement some of the Committee's recommendations? Will they be tabled on 4 March?

Ms Harman: If the right hon. Gentleman wants to outline in his speech the recommendation that he feels should be the subject of a motion, we can consider it and bring it to the House in a substantive motion. We have plenty of time to do that. If it is suitable, it could be tabled by way of an amendment. We have tabled these motions to say what the Government's position is—I think that it is fair enough that we should be able to set out our position—but there is nothing about this procedure that prevents other hon. Members from bringing issues that arise from the Wright report to the House for a vote. Hon. Members should be reassured about that. They will be able to vote on everything on which they want to vote that arises from the Committee's report not tonight but on Thursday week.

Mr. David Heath (Somerton and Frome) (LD): I wonder whether the right hon. and learned Lady can help us on this point. She will know that the major omission in the motions that she has tabled comes in motion 9, which concerns the Back-Bench business committee. She will know that an amendment has been tabled by myself and a great number of other colleagues from around the House to establish a House business committee. May I be clear about whether she supports that amendment and, if she accepts it, how we can make that happen under the procedure that she has adopted? The only way that we can debate and vote on that amendment is if we object to the first part of the motion, which many of us would not wish to do.

Ms Harman: I can give the hon. Gentleman an assurance on that. I was planning to deal with it later, so I shall carry on and, I hope, he and all other hon. Members will be reassured.

Any motions objected to will be tabled as substantive amendable motions for a short debate on 4 March and we will then vote on those motions and any amendments selected by the Speaker. Amendments have already been tabled—in particular an amendment in the name of my hon. Friend the Member for Cannock Chase and 129 other hon. Members—to enable the House business committee to deal with Government business as well as non-Government business. As I said when I gave evidence to the Reform of the House of Commons Committee on 10 February, I think that the best way forward is to set up a House committee for non-Government business. The next step—a committee to set Government business—should be proceeded with subsequently and in the light of the experience of the non-Government business committee.

The Committee itself recognises, in paragraph 16 of its report, that the proposals

"will inevitably need implementation in stages",

and that some

"can only come into effect in a new Parliament".

It also recognises the importance of building on experience of the changes.

The amendment to our motion setting up a House committee for non-Government business would approve the establishment of a House business committee for Government business

"during the course of the next Parliament",

and when it comes to the vote, I will vote for it. The hon. Member for Somerton and Frome (Mr. Heath) is concerned that there should be an opportunity to vote on something that the Government are not putting forward—that the House business committee should be able to put forward the agenda for the House in relation to Government business as well as non-Government business. As that is not one of the four main items that we are recommending to the House—[Hon. Members: "Ah!"] Will hon. Members bear with me? We are trying to make our position clear. As that is not one of the four big ticket items that we want to see taken forward, we are not tabling it as a resolution, but we have seen the amendment and we assume that it will be selected as an amendment and can therefore be voted on. If it is selected, I will vote on it—[Hon. Members: "For it?"] I will vote for it, yes. What did I say? [Hon. Members: "On it."] I will vote for it. I want to reassure the hon. Member for Somerton and Frome and other hon. Members that I understand full well that if 130 Members ask for a particular proposal from the Wright Committee report to be voted on, the House needs to be able to vote on it. I will make sure that the House can vote on it one way or another. If Mr. Speaker decides, at his discretion, to select it as an amendment, it will come to the House, and if he does not select it, a substantive motion will be tabled to ensure that it can be voted on. I will vote for it, but that does not mean that it is one of the four big things that the Government are urging the House to do.

All this might appear to some people to be nothing more than procedure and technicalities, but I believe that it is important. The relationship between the Government and the House of Commons is important.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I am grateful to hear that the Minister will support the amendment—or words to the same effect—of which I am one of the sponsors, but would it not be sensible and less confusing if she were to table in her name, as a Minister, the wording on which all the sponsors agree? If she did that, we would not have to rely on it being selected as an amendment to something that might otherwise not be on Thursday's Order Paper if it is not objected to tonight. Would not it be clearer if she co-operated with the process, made it clear that she supports the measure and joined others in proposing it?

Ms Harman: I do not think that things need to be unclear. I have said that I will make sure that the issue comes to be voted on by the House—the issue being that there should be a House committee that will decide Government business. When we come to vote on that issue, all hon. Members will be able to decide for themselves, on a free vote, how to vote, and they should not find it confusing because it will be there on the Order Paper. We have not put the wording in a substantive motion because the motions that we have tabled are those that we support and urge the House to support. Other hon. Members have proposed that the House committee should deal with Government business as well as non-Government business, and I, as a Member of the House on a free vote, have said that I will support that amendment. Hon. Members should be reassured that, whether or not the issue comes to the House by way of an amendment to a substantive motion, if it looks as though it might not be selected or that we might not get to vote on it, on 4 March, I will arrange, as Leader of the House, for it to be voted on. I do not know how many times I must say that to make it absolutely clear. I recognise that there is a climate of suspicion. *[Interruption.]* There need not be a climate of suspicion—this is perfectly clear and straightforward—and it would be helpful to the House to realise what the Government are urging on the House and what other colleagues are urging on the House, and we can support their proposals or not, depending on the view that we take.

A lot of people outside the House might think that this is very procedural and technical—I should think that they would be encouraged in that thought by the last discussion that we have just had—but it is important because of the relationship between the Government and the House of Commons, and it is important to the House of Commons and to our democracy. It is important for public trust that a Government can implement the manifesto on which they were elected. There is keen public concern about Governments keeping their election promises. Although few, if any, of us have met someone on the doorstep who raises the matter of House of Commons procedures, people want an effective House of Commons, which scrutinises legislation and properly holds the Government to account.

This is House business, and we should work together on it. I look forward to hearing the shadow Leader of the House, and I hope that we can debate this in the spirit of House business. This is important for Back Benchers and Front Benchers and for hon. Members on both sides of the House. I hope that, together, we can take through these major reforms.

4.40 pm

Sir George Young (North-West Hampshire) (Con): I respond to that challenge from the Leader of the House by saying that they do not come much more consensual than the shadow Leader of the House of Commons. We are grateful for this opportunity finally to debate these important reforms, although, of course, we will not be able to vote on them today. I agree with her that the report represents a chance for the House to change, and it is chance that we should seize.

We all acknowledge that the past year has been a disastrous one for Parliament, and I believe that there are two ingredients if we are to rebuild public confidence in this institution. Putting right the expenses scandal is one half, which has occupied much of our time. The other half is enabling Parliament to do its job better. A Parliament untainted by sleaze would be a step forward, but it needs to be accompanied by reforms that enable us to hold the Government to account more effectively and, indeed, to represent our constituents more effectively.

These opportunities come relatively infrequently, and we muffed the last one in 2002, when the Cook reforms to Select Committees were voted down. We can show the public today that we can be constructive and collaborative, not just confrontational and relentlessly partisan. In that spirit, I congratulate the cross-party Committee on Reform of the House of Commons on a landmark report that was produced in record time.

Hilary Armstrong: Does the right hon. Gentleman recognise that there are some problems with the Committee? It was elected by the different parties in the House, but because there had not been proper discussions beforehand, it ended up being fairly unrepresentative. *[Interruption.]* A Committee of 19, with only two women and no one from Scotland is simply not acceptable any more. If the House is to proceed with the recommendations, there must be ways to ensure that what he says is important—decent representation—is reflected in how we do these things.

Sir George Young: I am afraid that I fundamentally disagree. The best way to get a representative sample on a Committee is to have an election. After all, that is how we all got here.

I was congratulating the cross-party Committee on its report. In June last year, I welcomed the fact that the energies of the hon. Member for Cannock Chase (Dr. Wright) would be applied to this subject; he is an experienced Chairman of Select Committees and that experience underpins much of the report. I had the pleasure to serve, briefly, on his Committee until I was persuaded to go elsewhere; had I remained on it, I am sure that I would have signed the report. I have a background of work on Democracy Task Force that has indicated my interest in and appetite for reform. On behalf of all my colleagues on the Opposition Benches, I pay tribute to the Committee.

The Leader of the House is always keen to point out that there has been a continual process of what the Government like to call "modernisation" since 1997. I recognise that there have indeed been some real improvements to the working practices of the House. Westminster Hall has been a success. Public Bill Committees have benefited from formal evidence sessions. Our sitting

hours are less extraordinary and more amenable to family life. No one wants to return to all-night sittings. The Prime Minister's appearance before the Liaison Committee is another welcome innovation.

Parliament may have needed modernising, but it certainly needed strengthening, and some of the measures that modernised it also weakened it, such as the automatic guillotining of Bills. The reduced sitting hours were accompanied by an increase in legislation which we have been unable to digest. One source of the problems that we seek to address today was the creation of the Modernisation Committee, chaired not, as would be appropriate, by a senior Back Bencher, but by a Cabinet Minister—an arrangement that my party is committed to ending.

The Government said that that would allow Parliament to own the process, but it has not. It ensured that the Government dictated the pace of change. When it suited the Government, the reforms happened, and when it did not, they did not. The report says as much in paragraph 4.

The right hon. and learned Lady spoke a great deal about consensus, but where was the consensus on regional Select Committees when she used her casting vote to force the report before the House? Nor was there consensus when it reached the House with 254 in favour and 224 against. When the Government want reform, as they did a fortnight ago when they wanted voting reform, we got a debate, we got amendments and we got votes. But when they are less than keen, as is the case today, we do not get that. We get a "take note" debate, and a single shout of "Object!" obstructs progress.

Natascha Engel (North-East Derbyshire) (Lab): Would the right hon. Gentleman like to see votes today or on 4 March? He objects to the fact that a Member can shout "Object!" and the debate and the votes are thereby deferred until another time, but I get the impression that most hon. Members want the so-called reforms to go through on the nod. I do not understand.

Sir George Young: In all the previous debates in which I have taken part, we have had a debate and then we have voted on a series of propositions, with amendments. That is how, in the past, the House has dealt with reform. It is a perfectly acceptable way of doing that and one that the House is used to. What is being proposed today is unusual. This is an unorthodox way of dealing with reform, and I happen to prefer the way that we have dealt with it so far.

On the report, it was encouraging that the Prime Minister agreed to the proposition from the hon. Member for Cannock Chase and, in doing so, appeared to understand that, as the report says,

"the Modernisation Committee has run out of steam",

but despite the Prime Minister's assurances in his statement that this would be an "urgent" process, it was a full seven weeks later, and just one day before the summer recess, before the Committee was formally set up.

Lethargy also seemed to settle on the Government once the report was published on 24 November. The Committee made it clear in paragraph 15 that it expected a debate

"within the next two months when a House majority can freely determine the outcome."

What it has got today, three months later, is a debate at the end of which, as we have heard, one shout can block a recommendation. Also, only the recommendations of which the Government approve are on the Order Paper.

That contradicts the astonishing claim made by the right hon. and learned Lady in an interview yesterday with the BBC that the Government have been "on the front foot". In fact, the Government have been always one step behind. They tried to restrict the terms of reference to exclude Government business. That is what they did at the beginning, then they backed down. They stalled on having a debate. They originally wanted to avoid bringing back to the House any proposals that were objected to, but that is now going to happen.

Ten days ago, the Government said that they did not think the time was right to have a House business committee, but yesterday, in a welcome but rather blatant about-turn, the right hon. and learned Lady said that she would vote for the amendment that would see a House business committee established in the next Parliament. Far from leading from the front, she has rather been dragging her feet. Like the Duke of Plaza-Toro, she has been leading her regiment from behind.

Mr. Cash: Following his comprehensive indictment of the Government's attitude, does my right hon. Friend agree that serious consideration should be given to whether the Executive should control the Standing Orders? Will he go further and suggest that we should return to the practice when Parliament was really vibrant, as a former Clerk of the House clearly indicated in a recent article, and that the Speaker, not the Executive, should have control over the Standing Orders?

Sir George Young: I shall shelter behind Mr. Speaker's ruling at the beginning of the debate.

The proposals before us give the House much more power than it has, and we should rally behind them and try to get them up and running. I should welcome the chance to embark on the broader debate about where control of Standing Orders should lie, but that is separate from the debate before us. Nevertheless, I am glad that the right hon. and learned Lady now backs the stance that we publicly took before the Wright report was published, namely that the Government should relinquish their grip on the agenda of the House.

Mr. Frank Field (Birkenhead) (Lab): I hope that the right hon. Gentleman will spend some time on that issue, because my right hon. and learned Friend's statement today was the most significant one that we could expect. She did not say whether the Government would vote for the proposition, but she did say that she would. Do not we as a House have to reassure Governments that they have a right to get through mandated business if the electorate are to hold them to account? This House might determine the timetable by which Governments get it through, but for unmandated business, which is not in election manifestos, there will be much more of a struggle between the new business committee and the Government. My right hon. and learned Friend made an important point when she stressed that the issue is not just about how we govern our affairs, but about how Governments are held to account by the electorate.

Sir George Young: I also drew a distinction between the propositions that the Government support, which are the motions before us today, and the proposition that the right hon. and learned Lady will personally back, namely the proposal for a business committee. I deduced from the way in which she gave her commitment that other members of the Government may not share that commitment in the same way that they share the commitment to the other motions before us.

On the point that the right hon. Gentleman raises, I think that any Government should take some comfort from paragraph 29, which states:

"We should recognise that the Government is entitled to a guarantee of having its own business, and in particular Ministerial legislation, considered at a time of its own choosing, and concluded by a set date."

That guarantee on the mandate in the manifesto gives the Government—any Government—the comfort that they need, and once paragraph 29 is set in statute they can afford to be more relaxed about the rest of the business of the House.

Bob Spink (Castle Point) (Ind): Will the right hon. Gentleman give way?

Sir George Young: I hope that the hon. Gentleman will excuse me if I move on.

The right hon. and learned Lady asked me what I thought we should do on 4 March. I think that the Government should table all the resolutions of the Wright Committee and let the House come to a judgment on them, rather than picking, choosing and tabling only those that they prefer. That would be in the spirit of the establishment of the Wright Committee and the respectful way to proceed with the report.

The right hon. and learned Lady referred to the big ticket items, but there are some important little ticket items, which the motions before us do not cover, such as giving the Opposition more flexibility on Opposition days. Will she look at some of the other recommendations and see whether they cannot be progressed?

Sir Nicholas Winterton (Macclesfield) (Con): On the little ticket items, does my right hon. Friend not accept that, unfortunately, there is no motion to be voted on relating to the way in which the House deals with amendments on Report and Lords amendments? Those stages are currently programmed, and important issues often cannot be debated at all because time runs out. Is it not inappropriate that programming be used on Report and for the remaining stages of a Bill, when that could be a Member's only opportunity to contribute?

Sir George Young: What a first-class intervention from my hon. Friend! His point is covered in an amendment, which he has signed, that specifically refers to ensuring

"more effective scrutiny of legislation at Report Stage and consideration of Lords Amendments."

More broadly, however, none of that will happen unless there is some self-discipline by any Government over not only the sheer volume of the legislation that they put before the House, but its quality. Unless they get that right, they will simply pre-empt House time and squeeze out many other debates.

Ultimately, the process that we have been through in the past few weeks has made the case even more effectively than the report for the Executive to relinquish their grip on the business of Parliament. I cannot put it better than the hon. Member for Reading, West (Martin Salter), who said with characteristic panache:

"The power of these shadowy forces at work behind the scenes demonstrates more clearly than ever why the Wright Committee recommendations need to be implemented in full, and that the clammy fingers of the whips and Government business managers are prised once and for all off matters that are for Parliament rather than for party".

Hilary Armstrong *rose—*

Hon. Members: Grubby hands!

Hilary Armstrong: I do not have bloody hands. I have never believed in doing things in any way other than straightforwardly and openly.

Is the right hon. Gentleman confident that his suggestions will not mean that instead of people talking and coming to agreements in this House, the media will have campaigns as to who they want to be Chair of this Committee or that Committee, and that we will get the grandstanders rather than the workhorses? In any democracy, one needs a balance, as he well knows.

Sir George Young: The right hon. Lady devalues the judgments of those who share the Labour Benches with her. The notion that when they vote in a secret ballot for members of a Select Committee they will be unduly influenced by the media is strictly for the birds. They will vote for the people they think will do the best job on that particular Committee—

Martin Salter (Reading, West) (Lab) *rose—*

Sir George Young: Such as the hon. Member for Reading, West.

Martin Salter: I thank the shadow Leader of the House for reminding me of one of my better quotes. Let me point out to him that I was talking about shadowy forces on the Opposition Front Bench as well. I congratulate him on winning the battle in his shadow Cabinet to come off the fence on the Wright Committee proposals, because the dark forces are on both sides of this Chamber.

Sir George Young: I reject unequivocally any implication of dissent within the shadow Cabinet. The Chief Whip and I are as brothers on this issue.

Turning briefly to the substance of the Wright reforms, I can tell the House that the report has the broad support of those on the Conservative Front Bench. The votes are, of course, free votes, but as a possible Executive-in-waiting we have had to take a view on the proposal that the Executive should relinquish some of the powers that they have, and we believe that they should.

We are already committed to the election of Select Committee Chairmen and members—a long overdue reform. I served on the Committee of Selection in 2001, when the Government Whips proposed Select Committees that excluded Donald Anderson and Gwyneth Dunwoody. I called a Division, and it was like something out of a

Bateman cartoon—the man who called a Division in the Committee of Selection. Had it not been for the activities of the Government Whips, a system such as the one before us would have been introduced eight years ago under Robin Cook. They now have a second chance to redeem themselves.

We have no problem with the Government's motions, as far as they go. We are grateful for the amendments that the Leader of the House has taken on board during the past week in the light of suggestions that have been made. I welcome the call for the Liaison Committee to review the whole system of Select Committees, particularly to consider the competing demands on Members' time. Having been the Chairman of a Select Committee, I have long thought that the size of membership should be no more than 11 to allow for a more focused discussion and a more manageable meeting. I think that the six-week time scale that is envisaged for establishing Select Committees at the beginning of a Parliament is rather unambitious, and I hope that it might be possible to act faster.

Having strengthened the independence of Select Committees, the next step should be to give them greater access to the Chamber. That is touched on but not fully developed in the report. My party's proposal would be to give the Liaison Committee a quota of 12 statements per year that it could draw on to enable a Select Committee to present its report to the House and answer questions on it. That would challenge the monopoly on statements currently held by Ministers and give Select Committee Chairmen access to the Chamber during prime time. I would have liked that to happen in November, when the hon. Member for Cannock Chase presented his report.

We think that there should be a Back-Bench business committee. I hope that it might be up and running at the beginning of the next Parliament, as suggested in the motion; it would be a disappointment if that did not happen. I personally would like it to set the subject for the first topical debate in the next Parliament. We should then progressively give the committee more influence, with the Government handing over to it the 15 days currently allocated for set-piece debates such as those on defence and Public Accounts Committee reports, referred to in paragraph 145 of the report. If it wanted, it could have a different configuration of debates from the one that we have at the moment. It could then be given the days for general debates mentioned in paragraph 146, totalling about 12 days, which might lead to its being given a day or half a day a week for Back Benchers' business. Once that system is up and running, we should move in the lifetime of the next Parliament towards a more collaborative and transparent system of dealing with House business as a whole, as I have made clear by signing the amendment on the Order Paper.

Jeremy Corbyn (Islington, North) (Lab): May I take the right hon. Gentleman back slightly to his point about reports and statements from Select Committees? I agree about the need for statements and proper debate on reports on the Floor of the House, but when a Select Committee comes up with an innovative proposal for legislation or for a change that requires Government support, the Government can simply acknowledge the report but do nothing about it. Does he recognise that there is a need for Select Committees persistently to be able to follow their own agenda and make proposals on the Floor of the House?

Sir George Young: There is a specific proposal, which I support, that Select Committee debates should take place on a substantive motion, but that would be separate from what I was just talking about, which was Select Committee Chairmen being able to present a report in prime time on the day it comes out.

Mr. Chris Mullin (Sunderland, South) (Lab): Where do the Opposition stand on allowing the House, subject to the Prime Minister's approval, to elect the chairman of the Intelligence and Security Committee?

Sir George Young: I have no difficulty with the recommendation of the Committee on Reform of the House of Commons on that subject.

Both I and the Leader of the Opposition have given public commitments that the Government should relinquish their grip on the timetable of the House. When the Leader of the House gave evidence a fortnight ago, she accused me of not being in favour of a House business committee. That was particularly unfair as we had not had an opportunity to put our views in the public domain, and I hope that she now accepts that that is not the case.

Natascha Engel: There has been a lot of talk, including by the right hon. Gentleman, about how the House business committee will open up business and make it more transparent. How exactly will it do that? Will it not just add seven or nine Back Benchers to the general backroom dealings?

Sir George Young: The Committee's proposition was that the business committee should meet and then put a proposition before the House, which the House could agree to or amend if it did not like it. That would be a more transparent and collaborative process than the one that we have at the moment, in which the business is announced on a Thursday and we have to take it or leave it. There is no opportunity to amend it or come up with a different version.

The Committee has talked of putting together the pieces of the jigsaw, and as its report states, the reforms will

"inevitably need implementation in stages."

I agree with that. No Government should be expected to put the whole jigsaw puzzle together on day one. Indeed, the Committee has not asked for that. However, I hope that what I have set out today will reassure the House that we are genuinely in favour of a more collaborative and transparent arrangement of business than has existed until now.

Fiona Mactaggart (Slough) (Lab): Will the right hon. Gentleman give way?

Sir George Young: I will make progress, if the hon. Lady does not mind, because a lot of people want to speak.

I turn finally to the section of the report on public engagement, which is perhaps the least engaging part of it. I agree with the hon. Member for North-East Derbyshire (Natascha Engel) that we must start to reflect on the wider of question of how to open up better lines of communication between us and our constituents. My party has made proposals to introduce debates in Parliament

[Sir George Young]

on public petitions and other citizens' initiatives. We welcome the Government's commitment to make progress on a number of the recommendations on outreach, and I welcome the House's views on that.

Bob Spink: Will the right hon. Gentleman give way on that point?

Sir George Young: No, I am in mid-peroration. *[Interruption.]*

Mr. Speaker: Order. I think the shadow Leader of the House has made it clear that he is not giving way.

Sir George Young: Today we have a chance to move our agenda on from the expenses scandal to making the House work more effectively. We must make an early start on cutting the democratic deficit and restoring confidence in our political system. A credible package of reforms must be in place by the time of a general election. Many of the reforms before us are long overdue, but they are steps in the right direction. They will make the House more responsive to topical events, more relevant to national debate and better equipped to scrutinise Executive decisions and hold the Government to account. My message to the House is simple: let's get on with it.

5.5 pm

Dr. Tony Wright (Cannock Chase) (Lab): Before I say something about the product of the Reform of the House of Commons Committee's labours, I want to talk about the process. Much of the commentary on it has been negative, and we have heard some of the same today. Many have pointed to the long delay in getting the Committee established after its urgency was announced by the Prime Minister, the even longer delay in finding a way to enable the House to express a view on the Committee's recommendations and to other delays and difficulties as an illustration of some of the issues identified in the Committee's report. However, I want to say something positive about the process.

The fact that members of the Committee were elected by their party colleagues, with the embarrassing exception of myself, gave its work an energy and authority, and indicated future possibilities. The fact that we were working to a very tight timetable—

Hilary Armstrong: Will my hon. Friend give way?

Dr. Wright: I am working to a very tight timetable, but how can I not give way to a former Chief Whip?

Hilary Armstrong: As my hon. Friend knows, I want reform but I do not agree with some of his proposals. Does he agree that there was a problem with those elections, certainly in the Labour party, because no one was given details of what people were proposing? We went into the ballot booth blind, and did not know how many people who supported the separation of powers were going to end up on the Committee.

Dr. Wright: I am genuinely puzzled by what my right hon. Friend is saying, not least because she did not put herself forward for election. There was no requirement to be a reformer of the House—anybody could have put themselves forward for membership of the Committee. I had no idea what kind of Committee we were going to get. That is what the electoral process does.

As I said, the Committee worked to a tight timetable, but the fact of election indicated future possibilities. We were not finally established until the day before the summer recess and were committed to report by the end of the Session, which gave an urgency and intensity to our work.

Bob Spink: I thank the hon. Gentleman for his report, which I warmly welcome. Does he acknowledge that the proposed modernisations are a modest step, and that they should form a platform for much more ambitious change in future Parliaments? Does he accept that?

Dr. Wright: Not only do I accept that, but the hon. Gentleman anticipates what I was going to say.

We recently celebrated the 30th anniversary of the modern Select Committee system. The Procedure Committee that recommended that sat for more than two years, but we produced a report in less than two months. That would not have been possible without the commitment of members of the Committee, which made it particularly invigorating to chair—we had vigorous argument, but managed to achieve considerable agreement—nor without those who assisted us, and above all our formidable Clerk, David Natzler, without whom so much could not have been achieved in such a short time. The House has many deficiencies, but in my experience the quality and dedication of its Clerks and Officers are not among them.

I need not remind the House of the circumstances in which the Committee was established. It used to be said that political reform was a matter for constitutional anoraks, which overlooks the fact that anoraks are precisely what are needed in a storm. Parliament has been battered by the most ferocious and damaging storm in its modern history. There is a massive enterprise of restoration and reconstruction to undertake. Let no one think that once we have attended to the expenses issue, or had a general election, all will be well. As you said yourself, Mr. Speaker, in a speech in Oxford just a couple of weeks ago:

> "The challenge that faces the House of Commons is not simply about rescuing its reputation but is about restoring its relevance."

Parliament's reputation will be restored only if its relevance is re-established. A window on our world has been opened by what has happened, and it will not be closed again. Fundamental questions are now being asked about what the House does and what its Members do. If anyone doubts that, they need only look at the consultation document on MPs' expenses issued by the new Independent Parliamentary Standards Authority:

> "The time is right",

it says,

> "for a discussion on the proper role of Member of Parliament, with a view to establishing a shared national understanding."

Members should be warned that the issue is not going to go away; but nor should it.

Natascha Engel: Why, then, did our Committee not start with that proposition? Our Committee started with the election of Chairs of Select Committees and

the establishment of a House business committee. It never asked what was the point of Parliament, and what was the point of Members of Parliament.

Dr. Wright: My hon. Friend—for whom, as she knows, I have great affection, whom I encouraged to be on our Committee, and who is a unique dissenter to be cherished—anticipates my next point.

Our terms of reference were deliberately more modest, although, I believe, not unconnected with this larger task. We were not invited to reform Parliament in a more general sense, or to pronounce on the role of a Member of Parliament. I am the first to recognise that there are important matters with which we have not been able to deal, even given a generous interpretation of the "closely connected matters" in our terms of reference.

Natascha Engel: Will my hon. Friend give way?

Dr. Wright: No. I have given way to my hon. Friend once, and I want to continue my speech.

Reform, however, is a process, not an event, and we claim only to have made a start. The three matters that we were directed to examine—appointments to Select Committees, the scheduling of business, and public initiation of proceedings—had long been recognised as requiring attention, but they also raised fundamental issues about the role of Parliament to which we sought to apply consistent principles.

For example, in relation to Select Committees, we concluded that it could not be right for the House's scrutiny Committees to continue to be chosen, directly or indirectly, by those whom they were charged with scrutinising, hence our recommendation for election of Chairs by the whole House and members by their parties. That would not only remove some of the problems that have caused difficulty in the past, but would—more significantly, in my view—give a positive boost to the profile and authority of the Committees themselves. In case anyone is worried that our proposal is too radical, we remind the House in our report that in the 18th century members were elected to Select Committees by secret ballot, with Members placing their preferred names in large glasses on the table.

In relation to the business of the House, we concluded that it could not be right for a sovereign Parliament to have its business controlled so completely by the Executive, as enshrined in those stark words of Standing Order No. 14. As we say in our report, that both demonises Governments and infantilises Members, hence our recommendation for a Back-Bench business committee to take responsibility for non-ministerial business, and for a House business committee to construct an agreed programme of business, ministerial and non-ministerial, to be put to the House for its approval.

A Back-Bench business committee would not only reclaim for the House what had been lost and rightly belonged to it, but provide a mechanism enabling the House to introduce imaginative innovations to the way in which it organised non-ministerial business. Similarly, a House business committee would want to ensure that all legislation received proper scrutiny, which, as we all know, is not the case at present.

Thirdly, in relation to the public initiation of proceedings, we concluded that representative democracy could be strengthened if the public had a more active role in our proceedings, hence our recommendation for an improved petition system and for further work on public initiatives. We also suggest a mechanism whereby Members can give their support to propositions which, if sufficiently endorsed, can trigger motions for debate and decision.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I welcome the recognition of petitions. The Procedure Committee did a lot of work bringing forward the e-petition system, which was never debated by this House and, in a sense, that justifies the need for a business committee that could get things debated. What would be the position of the Procedure Committee? As I understand it, the hon. Gentleman's Committee did not think the Procedure Committee needed to be elected, because it is not a departmental Select Committee. Should not the Procedure Committee also be linked to the House in that way?

Dr. Wright: In the time that we had available, we did not turn our mind to the composition of the Procedure Committee, although perhaps we should have done. On e-petitions, the fundamental argument—although there are arguments on both sides, not least that of cost—is that the House should have an opportunity to express a view. That is something that underpins our whole report.

Hugh Bayley (City of York) (Lab): In my submission to the Committee, I made the point about the need for more time on the Floor of the House and in Committee for private Members' Bills. My hon. Friend's proposal to create a House business committee would presumably provide a mechanism for addressing that issue. Is that the case?

Dr. Wright: My hon. Friend raises a fundamental aspect of our recommendations. The problem in the past was that many interesting proposals were made about how we could do our business better, but the House lacked an instrument or mechanism to bring any of those into play, so we spend all our time asking Governments to do things that the House should have a capacity to do itself. It is clear that in relation to private Members' Bills and other types of business, if we acquire the mechanism, we will then gain the benefits of using it in these imaginative ways.

Sir Nicholas Winterton: To return to the point made by the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith), would it not be appropriate for the Procedure Committee, which will absorb the Modernisation Committee, to be the voice of the House, as it is chaired by an Opposition Member and could drive forward future revolutionary and even radical proposals for progress in how the House deals with the public and its own business?

Dr. Wright: I agree, and one of the misfortunes of what has happened is that the Procedure Committee has lost its centrality in the working of the House. I want that to be restored, and I want the Committee to have guaranteed access to the House to bring forward its propositions.

[Dr. Tony Wright]

We make many other recommendations, from the size of Committees to the operation of Opposition days, from sitting times to the Intelligence and Security Committee, but the three areas that I have mentioned are the main focus of our attention. Some hon. Members, as we have heard, may wish to dissent from some of our particular recommendations, but it would be disappointing—and troubling in terms of how Parliament is viewed—if there were to be dissent from the principles that underpin these recommendations.

Another principle appears in bold throughout our report—and I am looking at my right hon. Friend the Member for North-West Durham (Hilary Armstrong) as I say this—and it is that an elected Government should have the means to implement the programme on which they have been elected. Nobody reading our report could doubt that that was one of our fundamental principles. It is fundamental to democratic politics that that should happen, and nothing in our report cuts across that, contrary to what some may believe. It is why ministerial business is protected, but it does not follow that effective scrutiny is therefore unnecessary or that the House should not control its own business. As Robin Cook never used to tire of saying, good scrutiny makes for good government. The best batsmen really do need the best bowlers. That is a particular challenge in a system of unseparated powers, which I support, whereby the Executive control the legislature and the party battle dominates everything.

However, that makes it even more necessary to meet the challenge. That is what our report tries to do, in attempting to get the balance right between the Executive and the legislature, between governing and scrutinising, between party and Parliament, and between democratic politics as the exercise of power and democratic politics as the control of the exercise of power. There has been an imbalance in those respects in the past, as is now widely acknowledged. Any reforms have to get the balance right now.

Angus Robertson (Moray) (SNP): On the issue of balance, the Committee also concluded that it was important to have voices from all parties in the House fairly represented on Committees of the House. The hon. Gentleman will be aware that parties from Scotland, Wales and Northern Ireland are currently not represented on a great many Committees of the House. How does he believe that places for the smaller political parties in the House can be guaranteed in the proposals that he has made and in those that will come forward, when Committees are being reduced in size?

Dr. Wright: I am sure that the hon. Gentleman realises this, but if he reads our report, he will see that we say over and over that one reason why we are not being too rigid is precisely to give the flexibility that enables those good traditions of the House, as well as the under-representation of minority parties, to be recognised. If he looks at the report, he will see that, in a sense, his argument is ours.

Several hon. Members *rose*—

Dr. Wright: I would like to make a little more progress.

Dr. Richard Taylor (Wyre Forest) (Ind) *rose*—

Dr. Wright: Oh go on, I cannot resist.

Dr. Taylor: I thank the hon. Gentleman very much. May I draw his and other hon. Members' attention to recommendation 9, which covers exactly that point about allowing members of the smaller parties a chance to get on Select Committees? There is also another crucial paragraph, which says:

"We believe there should be clear consequences for unreasonable absence from select committees."

If hon. Members are on a Select Committee, should that not be almost their first priority and take precedence over other events?

Dr. Wright: I am delighted that I decided to give way to the hon. Gentleman and genuinely pleased to have an endorsement from that source.

The issue of balance arises on every occasion that parliamentary reform is contemplated or discussed. I have been reading my way through the two-day debate in the House in February 1979 on the Procedure Committee report that proposed the Select Committees. The report was introduced by the Conservative Member Sir David Renton, who commended it to the House with these words:

"For many years Governments of both main parties have enjoyed dominion over the House of Commons. That is not merely because they have had a majority, large or tenuous, but more because of their power, which has grown over the last 100 years or so, of controlling business, including controlling, in effect, the amendment of Standing Orders. The recommendations in the report would help to restore the balance between the Government and the rest of the House in ways that would be advantageous to both. They would also be advantageous to the people who sent us here."—[*Official Report*, 19 February 1979; Vol. 963, c. 55.]

I could use identical words today in presenting our report. In that debate, almost the only voice of resistance to the Procedure Committee's recommendations came from the then Leader of the House, Michael Foot, who feared for the vitality of the Chamber. Now we fear for the vitality of the whole House.

Mr. Frank Field: Might my hon. Friend also underscore the movement that we have seen this afternoon from the current Leader of the House? Previously, all debates were stalled by the traditionalists, who said that if we had the power to control our own business, we would wreck Government business. Today we have seen—not only from my hon. Friend but, importantly, from the Leader of the House—that a Government can envisage that the House should control the order of business, but concede that, for those parts of a manifesto that are brought to the House, the Government have a right to get that mandated business through. There seems to be some opposition to that idea, but if we cannot do that, it is impossible to hold the Government to account.

Dr. Wright: I would go a little further and say that my right hon. Friend is seeking to achieve what the late, great Robin Cook failed to achieve. For that to happen, however, the House will need to be in an altered state from the one it was in in 2002.

I was talking about the debate on Select Committee formation that took place in 1979. I want to say a further word about it. The most interesting contribution came from Enoch Powell. I offer it—I am not sure why I

am looking at my right hon. Friend the Member for North-West Durham again at this point- as reassurance to those who think that we are seeking to redress the balance too far. Enoch Powell reminded hon. Members:

"The House comprises parties and, for most of the purposes of the House, its partisan character overrides its corporate character."

He went on to say:

"It is therefore courting disappointment to take the report and say 'Here are proposals which, if we enact them, will redress the balance of power between Government and House of Commons and will put us, the Back Benchers, in the envied positions of power and influence now occupied by those upon the Treasury Bench.' If that is the notion on which we approach the proposals, we are in for a disappointment, but that does not justify our not addressing ourselves on a lower plane of expectation to the major recommendations of the Committee."—[*Official Report*, 20 February 1979; Vol. 963, c. 336.]

There seems to be much political wisdom in those words, and I call them in aid of our proposals if that will enable some to support them on such a lower plane of expectation.

In response to the charge that the report smiles on the separation of powers, I must say that it does not. It does, however, smile on the proposition that good government needs good accountability. It seeks to refute the proposition that is often put that, without a system of separated powers—as in our case—we will necessarily have a weak Parliament. I do not believe that that is the case, and I do not think that we should sign up to that proposition.

Mr. Andrew Pelling (Croydon, Central) (Ind): I hope that this will be a helpful intervention. There has been a lot of discussion about manifesto government, but is that not, in this new century, a rather weaker argument? This is not like the 1970s; Governments no longer come with a detailed manifesto in the same way they used to.

Dr. Wright: The hon. Gentleman makes a fascinating point which would, if we let it, lead to a much longer argument. I do not want it to do that, however. I have great admiration for certain individual Members of the House who do not sit for party, but it is a fact of political life that political parties are the instruments for organising political choice for the electorate. They are indispensible to the system, and nothing that our report proposes seeks to depart from that proposition.

I am sorry to have detained the House with a reminder of a similar moment in the past, but I hope that it will be helpful to us in the present. I note in passing, by the way, that a decade earlier still—in 1965—a large number of reform-minded Labour MPs who had been newly elected in that reform Parliament of 1964, including the present Father of the House, tabled a Commons motion calling for comprehensive modernisation of the House of Commons. Among their demands was one for hostel accommodation for Members. It has taken half a century and an expenses scandal to revive that one.

Mr. Alan Williams (Swansea, West) (Lab): Whatever 45 years may say about my consistency, they are hardly complimentary about my effectiveness.

Dr. Wright: It has been a great joy to work with my right hon. Friend over the years; he knows full well how effective he is.

It has not been entirely straightforward to reach this point with our report, but I believe that we are now nearly there. It has been cheering to see the enthusiastic support for our proposals, from both within and outside the House. It is clear that people have not given up on their Parliament, even if they have recently despaired of some of its Members. Even in this pre-election period when party disagreement is seemingly obligatory, it is significant that all the party leaders have given their support to this reform initiative. I pay particular tribute to the role of my right hon. and learned Friend the Leader of the House and, indeed, to the shadow Leader of the House and to the constructive tension between them in a good cause.

I say that we are "nearly there" for two reasons. The first is that it is essential that the House has an opportunity to vote on all the proposals in our report, not just those that meet the approval of Front Benchers. That is why I would have liked the House to be given an opportunity to vote on the draft resolution proposed by the Committee, which could have been done on an amendable motion. This is not, however, a moment to be churlish. We still have to nail down one or two matters, and we shall do so in looking at the motions that will be before the House next time, but we are nearly there.

Secondly, and crucially, we are nearly there because this package of reforms is not for the Front Benchers to accept or reject; it is for Members to decide on. They have to decide what kind of House they want and what they believe their own role in it is. When Robin Cook asked that question in 2002, Members opted—narrowly but depressingly—for the status quo. After what has happened recently, I hope that enough Members will conclude that the status quo is no longer an option.

Dr. Evan Harris: I pay tribute to the hon. Gentleman's chairmanship and to his contribution today. I cast no aspersions on present or future members of what will be a Whip-appointed Back-Bench business committee, but given that motion 9 on the Order Paper, which delegates definitions to that procedure committee, would it not be wise to provide it with a little more guidance in requiring that the Back-Bench business committee should be elected and that private Members' Bills, for example, be defined as parts of our business that will be covered by it? That would be a wise thing to do, would it not?

Dr. Wright: I pay tribute to the hon. Gentleman's contribution to our work, which was, as ever, energetic and important. On the particular point he makes, I would say that my right hon. and learned Friend the Leader of the House is at this moment being extraordinarily amenable to suggestions about how to improve the motions, so I will continue in that spirit.

Let me conclude. There was no parliamentary golden age. When there was supposed to be one, in the middle of the 19th century, Gladstone was already writing about the "declining efficiency of Parliament". Neither was there a golden age in which politicians were loved. It was in the 1960s that Henry Fairlie wrote:

"Today, more than ever, the politician appears to be held in contempt".

Members of Parliament work harder now; they are more professional and we are much better supported in our work.

[Dr. Tony Wright]

When all that is properly said, however, we know that the House stands at a critical moment in its history. Something has gone wrong—beyond the expenses issue—and we have an obligation to put it right. Our constituencies are cultivated as never before, but the vitality of the House is diminished as never before. More is expected of us than just cheering or jeering. Members of this House have a number of roles, but the fundamental task of Parliament is to hold power to account. Our proposals are designed to strengthen Parliament in that fundamental role. We call our report "Rebuilding the House" because that is what is required and because this is the moment to do it.

5.34 pm

Mr. David Heath (Somerton and Frome) (LD): May I say what a pleasure it is to follow the hon. Member for Cannock Chase (Dr. Wright). I thank him for the work that he did in chairing his Committee and I thank the other members of the Committee.

When the hon. Gentleman started his comments, I rather thought that he wanted to give the impression that the history of his Committee until this point was not an example of exactly the ills that he described, but he proceeded to give us myriad examples of precisely why Executive control over the procedure of the House holds up the proper scrutiny and proper initiation of business.

If we wanted a more up-to-date example, however, we had only to listen to the comments of the Leader of the House. I do not think that it was deliberate provocation, but she boasted that only the Government had tabled the motions to allow the debate to happen, apparently oblivious of the fact that only the Government can table them, because that is what Standing Orders say. If we want an illustration of what is wrong with Parliament, it is the fact that only one Member of Parliament is in the position to table a motion for reform of the procedures of the House. If she chooses not to table a motion, as she did for a while, there is absolutely nothing that any other Member of the House can do about it.

The Leader of the House went on to say that this is an historic day. I suppose that it is historic in that we have a new carpet in the Chamber, which I admire, but I am less convinced that it is historic in terms of the reforms before us. I see these reforms as necessary, but as a very small step in the right direction. Reform ought to be a tide coming in. At this point, we have perhaps reached high water in terms of Executive power, but it will be high water only if Members of the House are prepared to accept their responsibilities and actually do something in the Lobby over the next week or so.

Reform of the House is necessary and urgent, but the Government's view is that that urgency has yet to be demonstrated. The hon. Member for Cannock Chase was very polite about the numerous procedural barriers that appear to have been put in the way. Let us remember that the Prime Minister himself initiated this process. Soon after he became Prime Minister, he said that wanted reform of the House. What happened? Nothing. Eventually, we had the proposal to set up the Wright Committee. What happened? Nothing. Eventually, at the last possible moment before the summer recess, the Committee was set up and it did wonderfully expeditious work in bringing forward its proposals and reporting to the House. What happened? Nothing.

After we had asked week after week when we would have the opportunity to debate the matter, we eventually got the extraordinary procedure before us. In another illustration of what is wrong with this process, we are not allowed to debate the Committee's recommendations in their totality; we are allowed to debate only what are described by the Leader of the House as big tickets. Issues with small tickets are apparently destined to oblivion; those with big tickets, as defined by the Leader of the House, can be debated.

When I questioned the Prime Minister on the subject a few weeks ago, I suggested that the Government's sense of urgency was such that they exhibited all the dispatch of a particularly arthritic slug on the way to its own funeral. I might have added, "In a snowstorm." A number of pedants came up to me afterwards and said, "You can't have an arthritic slug, because a slug is an invertebrate," but I have to say that, given the progress of these proposals, the metaphor is all the more accurate.

As has already been said, this issue ought not to be determined by those on the Front Benches. It should not be for the Leader of the House—or the shadow Leader of the House, or me—to determine what will happen. It should not be for anyone to dictate to the House how we are to conduct our business. It should be for each and every Member of the House to take a view as to whether they believe that we conduct our business in an acceptable way—whether they believe that we fulfil the expectations of those who send us here to scrutinise legislation and to hold the Government to account. If Members think that they do fulfil those expectations, they will vote for the status quo. I have to say that I believe that the vast majority of people outside this House think that at present we do our job extraordinarily badly. Part of the reason for the opprobrium that has been heaped upon the House in recent weeks is that people do not understand why we allow this situation to continue, and why we allow this House to be so ineffective in doing its work.

It has been suggested by some that the proposals constitute an argument in favour of the separation of powers, but in fact we currently have a separation of powers: we have a separation between this weak, ineffective, useless House and the House at the other end of the corridor, which is unelected and has no mandate, but which has the time to scrutinise our legislation properly and to amend it and make appropriate suggestions. What sort of political arrangement is it that allows this House no power while allowing an unelected and unaccountable House all the power in the world to hold the Government to account? That cannot be right.

Hilary Armstrong: I really am a bit surprised by what the hon. Gentleman is saying. I want there to be effective scrutiny, but he should include Committee sittings in this House in his calculation of the amount of time spent on scrutinising Bills here. I used to look at this matter regularly—although I have not done so in the past couple of years—and I know that people often include the time on the Floor in the other place and the time on the Floor of this House, but the other place does not look at Bills in Committee. If the hon. Gentleman

were to add that time into his calculations, he would find that frequently the other place spends less time on Bills than this House.

Mr. Heath: That completely ignores a couple of facts. One fact is that Report stage provides the opportunity for every Member of this House to represent the views of their constituents on a matter, and to bring forward proposals for debate. Fact No. 2 is that the Government—in their wisdom—often introduce large chunks of Bills that are never seen by the Committee, as they appear only on Report, and often in a very unfinished state at that.

We fail to do our job, therefore, and I defy anyone to accept the current position, under which, for instance, large parts of the Constitutional Reform and Governance Bill were not debated in this Chamber. Despite extra time being given, large parts of a constitutional Bill were not debated on the Floor of the House. An education Bill will come before this House tomorrow. In Committee, only about 15 clauses of that 50-clause Bill were considered. Nevertheless, that Bill's remaining stages will be put before us in a single day, and it will then be dispatched to the other place, which will be expected to do the job that we are elected to do. It is indefensible that we conduct our business in that way.

To those who argue that we must allow the House as a whole, rather than the Executive, to determine how we conduct our business, and that all Members of the governing party must have loyalty to the Government whom they support, I say that of course I expect loyalty to the Government from Government Back Benchers. Of course I expect them to support legislation that is in their party's manifesto, and the Government to have the time to introduce their legislation and to ensure that it makes progress. That is not in question. However, I find very difficult the logical somersaults required to support positions that change diametrically, through 180°, from one year to the next, whereby one Bill repeals the work of another that was put before us the previous year, as I am sure do many Government Back Benchers. We owe loyalty to our constituents, as well as to our parties, in considering Bills and deciding what position to take on them, and it is difficult to fulfil that within that constraints of the arrangements as they are.

My prime contention is that this House must have the time to scrutinise legislation and to hold the Government to account in an appropriate way, and that is not allowed for in the current arrangements. The reform of the Report stage is key to securing that and we will obtain it only if this House is prepared to adopt a position other than supine acquiescence in whatever the Government of the day want and to say, "We will do our job as Members of Parliament and we insist that we have the time necessary to do it properly."

Hugh Bayley: I am a passionate reformer. It seems to me that the hon. Gentleman is posing the argument as if put-upon Back Benchers are unable in any way to make a difference to Government policy and a wicked Government—whichever party is in power—prevent scrutiny from taking place. Like me, he has served on Public Bill Committees where hours of debate have been used by Opposition Members in a way that did not focus on key issues and it has almost appeared—I have seen this when I have been an Opposition Member serving on such a Committee—as if the Opposition wanted to run out of time so that they had something to complain about. Does he agree that it is important for all Members on both sides of the House to use the time we have to maximum effect, rather than just to blame the Government for providing a lack of time for scrutiny?

Mr. Speaker: Order. May I gently say to the House that I understand its enthusiasm for these issues, but some of the interventions are becoming mini-speeches? I am sure that the House will take note of that.

Mr. Heath: Thank you, Mr. Speaker.

I want a rational use of our time; I do not want to misuse or abuse it. I want the House to have enough time to ensure that on important issues everybody's voice can be heard—that is not the case at the moment. I want us not to spend all day and all night discussing Bills on which there is a consensus and have people drafted in by the Whips to fill time uselessly, while other Bills on which there are key issues of contention that matter to Back Benchers and Front Benchers go undebated. A House business committee would use time rationally—at least I hope it would. There is certainly a greater chance of its doing so than the current arrangements. I support all the recommendations of the Wright Committee—I have no power to induce other Members to support them—in so far as they go. I acknowledge the limits of the remit and I have some doubts about the way in which they have been translated into motions before the House this evening, but I support the proposals. There is one exception, but I shall come to that in a moment.

Dr. Harris: The hon. Member for City of York (Hugh Bayley) made a very important point: even if we have enough time for scrutiny on Report, we cannot have it monopolised in way that is not efficient, whereby speeches fill the amount of time available. The Wright Committee was clear on that. Recommendation 33 proposes as a quid pro quo that time limits on speeches and interventions could apply on Report.

Mr. Heath: You might need to consider a time limit on interventions in this debate, Mr. Speaker. However, of course my hon. Friend is right; that point is key.

I shall support what the Wright Committee has said when it comes to the two-tier arrangement of a Back-Bench business Committee and a House business Committee, although I would prefer one Committee. I do not see the logic of having two other than as an inducement to others to support the idea. However, if that is the case and if a gradualist approach is necessary in order to avoid startling the horses, then so be it. The logic that most sensible parliamentary democracies adopt of having a single committee on the business of the House is something that we should consider.

Let me draw my comments to a close. We have these proposals before us this evening. It is open to a single Member to shout "Object" and the motions will then be debated at a future time. If there is no objection, they will go through. That prompts the question of what will happen to the other recommendations that are not before us, which have been arbitrarily removed from consideration on the basis that they are not big tickets. I do not know the answer to that—the Leader of the House might illuminate the House on that issue at a later stage.

[Mr. Heath]

Another question is how we can engineer the vote that many of us want on the amendment on the House business committee in the name of the hon. Member for Cannock Chase (Dr. Wright), which is signed by many other colleagues, including myself. Of course, it would not come into play if the motion on the Back-Bench committee were agreed to tonight, unless the Leader of the House is prepared to table it as a new and separate motion. I understand that she has said that she will do that, which is great. If the Leader of the House supports that proposal—although the rest of the Government do not appear to do so—that is good news and I welcome it. We have been told that there are four big tickets, and I think that that is the fifth.

Ms Harman: If Members are minded not to object to a House business committee for Back-Bench business but their only reason for objecting might be that they want the subject to be carried forward to 4 March so that an amendment to it can be tabled and to secure a vote, I would tell them not to worry about that. My assurance is that I will not jump round afterwards and say, "See, it's not there. There's nothing to attach an amendment to, so you don't get to vote." I hope that that position is absolutely clear.

Mr. Heath: It is clear—the procedure is not, but the intention is—and I accept it as that. I am grateful to the Leader of the House for that.

An important point has been raised about the fact that the proposals allow only the election of departmental Select Committees and not House Select Committees—in particular, the Procedure Committee, which will be key to all the rest. Such appointees could stymie the rest if they choose to do so. I hope that whoever is appointed will not do that, but it would be far more logical for the Procedure Committee to be elected like all the rest.

Hilary Armstrong: Will the hon. Gentleman give way?

Mr. Heath: I am just coming to a conclusion.

The Members from the nationalist parties have all gone home, which seems a shame as they had rather an important point to make about the size of Committees and their representation on them. However, if they are not here I shall not bother to make their point for them.

I close on this point: an awful lot of this debate comes down to one single instrument, and that is Standing Order 14. Standing Order 14 is the obstacle to this House behaving like a responsible, sensible, modern House of Commons. Like Cato the Censor of old, who said, "Carthago delenda est," we need to say, "Standing Order 14 delenda est." It has got to go. Until it goes, we will not be able to make the progress that I think the House wants. We shall test that tonight and on 4 March, but I hope that the House realises that it has the opportunity to make that first step to returning ownership of the House to the House. I hope that Members will not be deluded into thinking that they are acting at the behest of the present or future Executive if they turn down that opportunity. I think that their constituents will find it very difficult to understand.

Mr. Bernard Jenkin (North Essex) (Con): On a point of order, Mr. Speaker. To clarify, lest the House might be proceeding in some ignorance about the procedure in front of us, am I correct to say that the motions to which amendments have been tabled have effectively already been objected to and that those motions are no longer available to us and can be moved only on Thursday 4 March and not tonight?

Mr. Speaker: The hon. Gentleman is correct in his interpretation of the situation. I do not think that there should be any basis for ambiguity or confusion. If there is, other hon. Members will no doubt either raise points of order or sidle up to the Chair in the conventional manner. I hope that the position is very clear and fully understood.

5.55 pm

Martin Salter (Reading, West) (Lab): It was a great pleasure to serve as a member of what is now known as the Wright Committee under the excellent chairmanship of my hon. Friend the Member for Cannock Chase (Dr. Wright). I thought that he made a superb speech tonight and set out a powerful case for the modest package of reforms that the Committee put together in the short space of time that was given to it.

I put particular emphasis on the elected nature of the Wright Committee's membership. I say to my right hon. Friend the Member for North-West Durham (Hilary Armstrong) that when she did not vote for me as one of Labour's representatives on the—

Hilary Armstrong: That is not true—and I thought it was a secret ballot.

Martin Salter: When anyone on the Labour Benches did not vote for me or for any other candidate, I hope that they did so on the basis of careful consideration of the reform credentials of all the candidates who put themselves forward for election. Once and for all, we need to nail this nonsense that somehow the election of the Wright Committee was fundamentally flawed. You cannot comb your hair in this House—you cannot utter a single word without it appearing on the internet, in a speech, in *Hansard*, on a blog or somewhere else. There is no excuse for anybody who voted for any member of the Wright Committee not knowing exactly where those candidates stood on the issue of parliamentary reform. I am delighted that the balance of force and opinion on that Committee was in favour of reformers. The recommendations of the Wright Committee are testament to that.

The Prime Minister himself clearly supports the Wright report. I worried at times about that as there appeared to be some ambiguity in some of the announcements and pronouncements that were made, particularly on procedure, which I shall come to in a moment. However, the Prime Minister said of our recommendations in his speech to the Institute for Public Policy Research on 2 February:

> "These reforms will increase the ability and the legitimacy of Parliament to hold the Government to account—as I believe that the proper role of Parliament is, indeed, to scrutinise the executive, it should be given all the necessary powers and tools to do so."

The guy at the top is in favour of this, and I hope that an awful lot of the people who work for him are in favour of it.

I certainly know that the proposals have been welcomed in the sensible realms of Her Majesty's media. On 24 November, Peter Riddell wrote in *The Times*:

"We need our MPs to be not only honest but also effective in raising our concerns and scrutinising the Government. The former has obviously got the most attention with the expenses row. But the latter is crucial if confidence in Parliament is to be revived. That is why this morning's report, 'Rebuilding the House' from a special Commons reform committee, chaired by Tony Wright, matters."

We had endorsements from the *Financial Times* and from *The Guardian*, which stated:

"Dr Wright's committee focuses on three subjects that may seem like Westminster arcana but which, separately and together, go to the heart of much that exasperates and angers the public about the workings of parliament…A debate is promised, which is good, but there is no guarantee of a vote, which is…bad. Ministers must get off the fence. They must give unambiguous support to the Wright committee report"—

and said that they must "Do it now." We appear to have unambiguous support for the recommendations as a result of the helpful statement from the Leader of the House, who has agreed to facilitate a debate on all the matters contained in the 50 recommendations made by the Committee.

Mr. Greg Knight (East Yorkshire) (Con): The hon. Gentleman has told the House that the reform proposals have the support of the Prime Minister, but that might not be enough. Can he tell us whether they have the support of the Labour Chief Whip?

Martin Salter: It is unfortunate that the right hon. Gentleman came late into the debate, because we had an exchange earlier about the ambivalence shown by the Whips on both sides of the House, but it would be churlish to dwell on that. We are moving forward in a consensual bubble and we should seek to capture the mood.

I strongly welcome the endorsement of the recommendations from the Hansard Society and from the six major organisations that have been involved with constitutional and parliamentary reform issues. The letter and the communications that they have put out to Members of Parliament have been helpful and will be useful in focusing people's minds.

Fiona Mactaggart: As a Member who stood unsuccessfully for election to the Wright Committee, I welcome the work of my hon. Friend and his colleagues. He spoke about the consensual bubble that has existed during this debate, but I am concerned that, with very few dissenting voices, the people who are attending the debate this evening are enthusiasts for the Wright Committee report—

John Mann (Bassetlaw) (Lab): Not all of us.

Fiona Mactaggart: I accept that not all are, but generally those who have spoken or intervened have been enthusiasts. I am anxious that the consensual atmosphere will not sustain itself on Thursday 4 March, and that we might see the same thing that we saw with the Cook reforms, when those who had been most involved in the debate got overridden by organised votes at the end. My hon. Friend has a great tradition of organising for progressive courses, so can he offer some words of comfort to the House on that matter?

Martin Salter: I assure you, Mr. Speaker, that this was not scripted, but you will certainly be aware of the need for organisation in the House, and I assure you and the House that a level of organisation will be put in place to provide clarity and guidance to those who wish to ensure that when they face the electorate on polling day, they will not be in danger of being cast as roadblocks to reform. I hope that that will give some comfort to my hon. Friend the Member for Slough (Fiona Mactaggart).

Hilary Armstrong: Will my hon. Friend give way?

Martin Salter: I will not because I have been very generous in giving way, and I think that we have probably heard enough.

In many ways, this debate could have been entitled the "Robin Cook Memorial Debate". For me, it was a huge pleasure to work with Robin Cook on parliamentary reform. He was, in my view, the greatest leader that the Labour party never had. That work went back to the disgraceful decision to try to exclude Gwyneth Dunwoody and Donald Anderson from their chairmanships of Select Committees by procedural wranglings, through to the internal processes that we adopted within the parliamentary Labour party that stopped the Executive from handing out Select Committee Chairs as booby prizes to sacked Ministers. We had a ridiculous situation—it happened on both sides of the House—in which someone would be removed from Government and, as a consolation prize, given a Select Committee Chair and they would then scrutinise the decisions that they had made some months previously. If there is one simple principle to which we should all adhere, it is that we cannot have those who would be scrutinised selecting their own scrutineers, and we certainly cannot have Government Ministers or former Government Ministers scrutinising their own decisions in that way. I am glad that we have moved on from that. In many ways, the changes that we have introduced within the parliamentary Labour party, through our internal elections, are reflected in the Wright Committee's recommendations, and I am delighted that other parties are moving on.

It is worth giving more air time to a couple of other issues. I think that the game is up for us, as Members of Parliament, in terms of the validity of many of our procedures. It is time for us to be honest with the public and to say that early-day motions have become a con trick. They are political graffiti, and we sign too many of them. I am guilty of this; indeed, we all are. I sign too many of them; in many circumstances, I sign them to make people who write to me happy. I should be limited on the number of early-day motions that I may sign—we all should. Frankly, if we were allowed to sign only four or five a month, and if a debate on the Floor of the House were automatically triggered if 50, 60 or 70 per cent. of the House signed up to an early-day motion on a suitable cross-party basis, that would be a way in which the public could meaningfully drive the agenda of this place. Of course, we have to do better with petitions. In many ways, the Scottish Parliament is showing the way forward on that issue. What an absurd treatment of a petition and of the thousands of people who sign it to put it in a bag and forget about it. I cannot quite believe that we are having this debate in the 21st century. These reforms should have been introduced 200 years ago—but better late than never.

[Martin Salter]

I conclude on a serious point. I am leaving this place in a few weeks' time, but I want to say that this Parliament, of all Parliaments, has been tainted not by the actions of the majority of Members of Parliament who are, on the whole, diligent, hard-working and tremendously committed to the people who they represent, but has been let down by the actions of a minority. This Parliament of all Parliaments needs to show that it is capable of reform, but reform is not 50 recommendations of the Wright Committee, or resolutions tabled by Robin Cook or by Jopling; it is a continuous process, but it has stalled—and for far too long. We now have an opportunity, despite the procedural wranglings, to get the reform agenda back on track and to reconnect this place with the people who sent us here.

6.6 pm

Sir Nicholas Winterton (Macclesfield) (Con): I do not think that I have ever said this before, and I never thought that I would say it, but it is a pleasure to follow the hon. Member for Reading, West (Martin Salter). He made a very powerful speech, in which he encapsulated what needs to be done by this place to recover the confidence of the people of this country. I believe that the Committee on Reform of the House of Commons has, under the distinguished leadership of the hon. Member for Cannock Chase (Dr. Wright), made a very good start on the reform of this place. As I come to the end of my parliamentary career, I would love to be able to say that I have helped to restore authority back with the House, over the Executive. I repeat that the hon. Gentleman's Committee has made a very good start.

Let me refer directly to you, Mr. Speaker, if I may. Standing Orders have been mentioned, and those who control Standing Orders control the House. It is time that that control was taken away from the Government and put under the authority of a Committee of this House under your chairmanship. That would ensure that they would represent the best interests of Back Benchers and not just those of the Executive.

I hope that I will be forgiven for mentioning briefly my involvement with the Procedure Committee over two Parliaments, and my time as the longest-serving member of the Modernisation Committee, which I am sad to say has not met for some 18 months. The Procedure Committee is now under the chairmanship of my right hon. Friend the Member for East Yorkshire (Mr. Knight), who is doing an excellent job. I meant what I said in an intervention: the future driver of change and reform in this place should be the Procedure Committee, which should encapsulate the current responsibilities of the Modernisation Committee and should be under the chairmanship of a senior and experienced Opposition Member. To pick up the remarks of the hon. Member for Somerton and Frome (Mr. Heath), we should seek to formalise the election or selection of people who sit on that Committee, because it will be even more important to the House in future than it has been in the past.

Hilary Armstrong: Will the hon. Gentleman give way?

Sir Nicholas Winterton: May I develop my argument a bit further, and then I will certainly give way?

Let me tell the House that, from the experience that I have had here for nearly 39 years, it is not Parliament that has undermined people's confidence in the House of Commons; the political parties themselves have contributed to that, by seeking to take more and more control over what their members say in the House and, perhaps even before then, to control the type of person whom they are prepared to admit into the House. That is a crying shame. We need more independents. We need more free thinkers—people who are prepared to stand up, put their heads above the parapet and identify what they think and what they believe in—and they should not be frightened that that will jeopardise their careers.

Natascha Engel: Will the hon. Gentleman give way?

Sir Nicholas Winterton: I will give way first to the right hon. Member for North-West Durham (Hilary Armstrong).

Hilary Armstrong: The moment has passed now.

Sir Nicholas Winterton: I am sorry.

Natascha Engel: Does the hon. Gentleman not think that our affiliation to political parties allows us to stand up for what we think?

Sir Nicholas Winterton: I believe that political parties have a philosophy, within which there could be a very broad church. From time to time, people will not necessarily agree with the view expressed by their party or even with a policy that it proposes. With due notice and appropriate discussion, if they need to vote against that policy or the view expressed by their party, not to do so in the House undermines its whole credibility and their role as Members of Parliament.

I pay to tribute to the vision and focus of the late Robin Cook. I had the pleasure to serve on the Modernisation Committee under his chairmanship when he was Leader of the House. He was an exceptional person to work with. He knew where he wanted to go; we might not have agreed with him, but he listened to us, and at the end of the day, we were perhaps persuaded by the force of his argument. Of course, that leads me on to the next issue that I want to raise: the election of the Chairmen and members of departmental Select Committees by party groups.

Robin Cook sought to propose to the House in 2002 a motion that would have led perhaps not quite to what we are debating now and the motions that we will vote on perhaps later. He sought to break the logjam of the dark side of the House—I refer to the Whips Office and perhaps to my experience when I was unseated as the Chairman of the Health Committee because I did what I believed to be right. I believe that the Chairman of a Select Committee is there to guide that Committee to reach conclusions and to make recommendations based on the evidence, both oral and written, that is given to the Committee; he is not there to decide on the prejudice of its individual members. That was not necessarily received very well by my party. However, as one door closed, another opened, and as my right hon. Friend the Member for East Yorkshire knows, I was asked to chair the Procedure Committee. If I were a Member and

there was an election to that Committee in the future, I hope that the House, in its wisdom, would elect me to do that job, which I very much enjoyed.

Hilary Armstrong: The hon. Gentleman allows me to return to the issue of the Procedure Committee and the House Committees. I notice that hon. Members are not recommending that House Committees should be elected, precisely because it is extremely difficult get full membership of them. The reality is that there had to be all sorts of cajolements to encourage people to become members of many of those Committees.

Mr. Graham Allen (Nottingham, North) (Lab): Because they were worthless.

Hilary Armstrong: My hon. Friend may think that, but had he been party to some of the conversations, he would not have taken that view of how we were trying to get people to serve on those Committees. It is very difficult to get Members to serve on those House Committees, and we must take that into account. Perhaps they also want to have the chance to serve on Select Committees, and I suspect that the two will not happen.

Sir Nicholas Winterton: The right hon. Lady has made her point yet again and what she says has some substance, but as someone who is committed to the House, to being a Back Bencher and to trying to restore the authority and integrity of Back Benchers, I personally believe that there will always be sufficient people, so long as we attract the right people into Parliament, to play their proper role as members of all the House Committees.

Mr. Allen: Does the hon. Gentleman accept that, if Committees are worth while, Members are queuing up, knocking on the door to try to get on them? It is only when Committees, very often at the Government's request, are not effective, are neutralised and have people put on them who will not hold the Government to account—as, indeed, my right hon. Friend the Member for North-West Durham (Hilary Armstrong) and I used to do in the Whips Office—that they are often not worth Members' time in attending.

Sir Nicholas Winterton: I can do nothing but agree with the hon. Gentleman, who makes a sensible point. I believe that many hon. Members would like to serve on all the departmental Select Committees and certainly a majority of the House Committees as well, and I speak as someone who found tremendous challenge and great enjoyment in chairing the Procedure Committee.

On electing Committee Chairmen, my experience is that the first time that the unpleasant arm of the dark side of the House was clearly brought to bear was way back in 1992. I saw letters from the Whips Office to members of the Cabinet and other Ministers urging them to attend a debate that should have been decided by Back Benchers. In fact, there was an unofficial Whip and a particular execution of a Member took place on that occasion, but I do not think that what my party carried out did it any good. By the time that the current Government sought to unseat Donald Anderson and Gwyneth Dunwoody, the House was aware of what was likely to happen and reacted, and their attack on two very distinguished Members was unsuccessful.

Let me now move on to what the right hon. Member for North-West Durham just talked about: the Back-Bench business committee and the House business committee. I should like both of those committees to be established and the Back-Bench business committee included in the House business committee, so that there is a Back-Bench input at all stages into how the House spends its time. I very much support the case made by the hon. Member for Cannock Chase. I repeat that I believe that he has done the House a great service in the constructive and robust way in which he has described the proposal of his Committee, which undertook its work in a very short time but produced an excellent report none the less.

Let me perhaps finally move on to an intervention that I made about the programming of the remaining or Report stages of legislation in the House and the way in which the House deals with Lords amendments. As the hon. Member for Somerton and Frome said in very clear terms, tranches of amendments and new clauses are tabled—sometimes by the Government, and often by the Opposition in seeking properly to scrutinise Government legislation and to improve it—for the remaining stages and pass to the House of Lords undebated in this House.

I am an avowed supporter of the other House in its current form. I believe that it does a uniquely good job in doing part of what we should be doing in this House— scrutinising Government legislation—but this House very often leaves much of that scrutiny to the unelected, appointed House. Whether it has a democratic mandate I do not care one way or the other—we always have the final say in this House—but because of its expertise, it can do a wonderful job.

I believe that it is wrong to programme the debates on amendments and new clauses in a Bill's remaining stages because they have not been debated in the Public Bill Committee upstairs, as has been said by hon. Members on both sides of the House. As my right hon. Friend the Member for North-West Hampshire (Sir George Young) said, the remaining stages of a Bill—Report and even Lords amendments—are the one occasion when a Member of Parliament who was not on the Public Bill Committee and was not called on Second Reading has an opportunity, on behalf of his constituents, to raise matters that may be very important to them and to a particular constituency. I am surprised that although the issue was considered by the House of Commons Reform Committee, there is no specific proposal to limit programming at the remaining stages of a Bill and at consideration of Lords amendments.

My right hon. Friend the shadow Leader of the House made the point, as have other speakers in the debate, that too much legislation comes before the House. We get constipated with the amount of legislation before us. I can only say to the Leader of the House and to the hon. Member for Cannock Chase, who led the Committee so well, that his proposals have my full support. As long as they go through, I will feel that in my almost 39 years in this place, I have made a contribution to the improvement of Parliament and to increasing the confidence that people have in it to do the job that they send us here to do.

6.21 pm

Natascha Engel (North-East Derbyshire) (Lab): I welcome interventions from any hon. Member, and as many as possible, to make up for the fact that I tried to

[Natascha Engel]

intervene so many times. Part of the reason I tried to intervene so many times is that although I am not alone in the way that I feel, I know I am a minority in the House. I believe in reform, but I feel passionately that the proposals before us are not reform.

One of the big problems for me has been the narrow focus of the Committee, looking chiefly at the role of Select Committees and the so-called democratisation of them. Introducing a Back-Bench business committee and a House business committee are both technocratic changes that might be a move in the right direction, but I think they are a step in the wrong direction. The danger is that we will thereby say to ourselves and to people outside that we have done reform—that we have responded to people outside who said they wanted Parliament to change, and that having done that, we will move on.

Mr. Mullin: My hon. Friend circulated to members of the Committee her objections to what is proposed, and I respect those, but I have not yet heard her set out the reforms in which she is interested. Can she give us a clue?

Natascha Engel: I will deal briefly with those reforms, but unfortunately we have a 12-minute time limit, and I want to set out my objections to the proposed reforms in order to explain my actions which may or may not take place later.

I have not heard today any reasons for saying that the proposals are proper reforms which will change fundamentally the way that we do things. What I have heard is what we collectively do not like. In the Committee I heard that we do not like the Executive having so much power. Everybody agrees with that, but what we have not discussed is where we want to put the power that we are taking away from the Executive. That is what worries me.

The other issue for me has been Select Committee Chairs. I was elected only in 2005 and I served briefly on a Select Committee. I think Select Committees are the one thing in the House that we do really well. Select Committees enhance the House's reputation outside, and they are one of the very few opportunities for the outside world properly to engage with what we do in the House. When we talk about changing the way in which Select Committees work, we must be careful not to change it for the worse.

When we say that any change is better than none, which many Members said in response to the e-mail that I sent out, and that this is our only opportunity for some kind of change, which we call reform, I worry that there is a chance that that reform will be worse than what we currently have.

Martin Salter: Will my hon. Friend explain to me and to the House why electing the Chairs of Select Committees, which she says are one of the best things that we do here, would damage that process?

Natascha Engel: I am saying that it could damage that process.

Martin Salter: How?

Natascha Engel: The reason why I think it could damage the process is that the only time we have had an election by secret ballot of the whole House was recently, when we elected the Speaker of the House. That is the first and only time that we have done that. Rightly or wrongly, many Members felt that we on the Government Benches, as the ruling party with a Government majority, imposed on the other side of the House, the minority, somebody who was unpalatable to them. That, rightly or wrongly, is what many on the Opposition Benches felt.

Mr. Allen: Was it true?

Natascha Engel: I do not know. If we duplicated that process in the election of Select Committee Chairs, we could have a situation in which the party in government imposes on the party of opposition somebody who is unpalatable to them.

Martin Salter: If my hon. Friend refreshes her memory of the report, she will see that we built into the recommendations provision for nominees to have a sufficient proportion of support from both sides of the House. The problem that she identifies has been dealt with in the recommendations of the Committee of which she was a member.

Natascha Engel: I absolutely disagree with that. Simply because somebody has support does not make them an effective Chair.

John Mann (Bassetlaw) (Lab): Does my hon. Friend agree that there is a level of naiveté in this debate if we believe that a Government in power will not use every bit of influence they have to ensure that, for example, the Chair of the Public Accounts Committee, taken from the Opposition Benches, is the weakest and most useless of the candidates available, rather than the strongest, precisely to defend the Executive?

Natascha Engel: One of the other issues tangentially raised by that point is the fact that whipped or unwhipped —the vote by secret ballot of the whole House cannot be whipped—Members will vote on party political lines. That is because we were sent here to represent not only our constituents but our political parties. The vast majority of us were elected only because we stood for those parties. That is something that the report fundamentally moves away from and undermines. That is my biggest worry.

The next biggest worry that I have about the report is the shift of power. I referred earlier to taking power away from the Executive, which in the report we call wresting control away from Ministers. I worry about where we put that power and that control. The same applies to the Chairs of Select Committees. As I wrote in my e-mail, my concern is that we are shifting power away from one elite—in this case, the Executive—and handing it to another—a group of senior Back Benchers. The election both of Chairs of Select Committees and of members of the business committee will favour longer-serving Members. That does not make them worse; it just makes them longer serving, and it puts at a disadvantage those Members who are newly elected.

In the next Parliament, there will be an unprecedented number of new Members. All of them will be disadvantaged when it comes to the election of Chairs of Select Committees and the election of a House business committee.

Dr. Evan Harris: I do not think the hon. Lady is right to describe an elected Back-Bench business committee as an elite. First, it will be elected. Secondly, if new Members want new Members to serve on it, as I believe they should, they will vote for them. Most secret ballots and transparent and democratic electoral systems will ensure that there is a range of membership of the Back-Bench business committee, which will certainly be less elite than having a Whips Office decide who should serve.

Natascha Engel: I completely disagree. Members will vote for people they know, not for people they do not know, and there is a serious risk in that. The proposed process also absolutely favours people who have been Members for a long time—those who tend to be in safer seats. That in turn disadvantages people in marginal seats—a point that my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) made when we were on the Committee.

Mr. Parmjit Dhanda (Gloucester) (Lab): My hon. Friend is certainly adding something to the debate, and I agree that it is important to move the pendulum of power away from this place towards the public. The reforms before us are not perfect, but they are a step in the right direction, so does she not agree that the issue is about moving the pendulum at least to the 20th century, before we reach the 21st?

Natascha Engel: I absolutely agree. That brings me back to my main point and my intervention on my hon. Friend the Member for Cannock Chase (Dr. Wright). When we were elected to the Committee, why did we not start with the questions, "What do we think Parliament is for? And, therefore, what is the role of Members of Parliament?"? Those questions were not asked at any point during the Committee's deliberations. Many Members said, "We all know what Members of Parliament are for. They are there to hold the Executive to account and scrutinise legislation," but there are so many other things as well. The MPs' expenses scandal has brought the issue to a head. It has been going on for years, and we have just pottered about, but with the scandal we have the opportunity to do something about it and ask some fundamental questions.

When the Scottish Parliament was set up, people started with a blank sheet of paper, with founding principles and with the four key themes on which they really wanted to base their parliamentary system. Why did we not start with something like that? What are the key principles on which we want to build our Parliament? We never discussed those questions, so whatever reforms were proposed, they would not have had clear aims. Therefore, the reforms before us may be good, or they may not be very good at all. Indeed, they may do some damage.

Jo Swinson (East Dunbartonshire) (LD): I agree with the hon. Lady and share her frustration that the reform process has not been ambitious or wide-reaching enough, but I take a different view from her about whether the report's reforms are a step in the right direction. I think that they are, so I shall support them; she genuinely does not. Does she agree, however, that all of us who are passionate about the need for further reforms after the next election, if we are still Members, should work together to ensure that this is not the end but the beginning of a process?

Natascha Engel: Absolutely. If this was the beginning and not the end of a process, I might feel differently. These proposals, whether they are the recommendation that the Committee presented at the back of its report or the Government motions before us, do not make much difference to me. They are still finite proposals, stating, "We think there should be a Back-Bench business committee, or a House business committee, or election by the whole House of Chairs, or election by the whole House or just by political parties of members of Select Committees." They are tiny, tinkering reforms. If they were part of a much bigger picture of reform, I might spend some time thinking about them. It is not that they do not go far enough; they go nowhere at all, and the danger of then saying, "We have done reform; that is reform over and done with," is so big that I shall vote against the motions before us, because they stop reform in the first place.

Interestingly, the Committee started its life as a constitutional reform Committee and very quickly changed its remit to that of a parliamentary reform Committee. I should love to see it carry on. Many of its 18 or 19 members were long-serving Members and experts on constitutional and parliamentary reform. Many have books under their belts on parliamentary reform, and it would have been helpful and much better to gather that experience together. Many of the Committee's members are standing down at the next election, and it would have been helpful if we had started looking at the pros and cons of the separation of powers and the role of political parties. Do we want to strengthen or weaken the role of political parties? Do we think that Parliament supersedes the role of political parties or not? We should look at the pros and cons of those issues in order to take them into the next Parliament.

Dr. Harris: As a fellow non-expert member of the Committee, and a fellow innocent, may I ask the hon. Lady what representations she made to her friends in the Whips Office when the Committee's terms of reference were being drafted in order to say that they were far too narrow? What representations did she make—perhaps she did make them—saying that the Whips should have established the Committee much earlier so that we might have had time to do something even more ambitious than we did?

Natascha Engel: I am grateful to the hon. Gentleman for making that point, and perhaps my hon. Friend the Member for Cannock Chase can help me with it. I understood that the terms of reference were drafted as a result of a letter from my hon. Friend, which included suggested terms of reference. I understood that my hon. Friend proposed a Committee with those terms, including the time limit.

Dr. Tony Wright: I am grateful for my hon. Friend's invitation to help. It is true that I suggested this was a good opportunity to take stock of Parliament and how we might change it. There then followed a process of deliberation and consultation on the terms of reference—

Mr. Deputy Speaker (Sir Michael Lord): Order. I am sorry, but time is up. The hon. Gentleman will not have time to finish his intervention, nor will the hon. Lady have time to respond.

6.36 pm

Sir John Stanley (Tonbridge and Malling) (Con): I shall focus on just one section of the Committee's report—the section that is far and away the most important if we are to achieve rebuilding. It is about restoring the legislative authority of this House, which has been emasculated in three ways during the lifetime of this Government. The Committee's report partially addresses one way, but on the other two it is, sadly, totally silent. I shall address the three ways in turn.

First, prior to 1997, successive Governments of all political persuasions followed a critical, unwritten convention on changing the procedures of this House. The convention was that those changes were made only with all-party agreement. If anybody has any doubt about that, or about the fact that the convention continued late into the life of the previous Conservative Government, the Jopling reforms are a case in point. Those reforms, which included, as the House will remember, ending Thursday sittings earlier than 10 pm, were introduced only once all-party support was achieved. Until it was, they were held back.

That was a critical convention for the House. Sadly and reprehensibly, it was torn up by the current Government, who, unlike any previous Government of any political complexion, have chosen to use their majority to set up their own Select Committee and use their majority on that Committee and on the Floor of the House to make fundamentally retrograde changes to our procedures and Standing Orders as far as legislative scrutiny is concerned.

I acknowledge that the House of Commons Reform Committee, in just one single, forlorn line—the first sentence of paragraph 16—says:

> "The proposals which we make must only be implemented with all-party agreement, and not imposed on the House by a Government majority."

However, that recommendation relates only to the Committee's proposals. It does not address at any point the crucial need to safeguard the future legislative authority of this House against any Government being returned at a general election and abusing the House, as the current Government have, using their majority, not obtaining all-party consent and changing the procedures and Standing Orders to their advantage. The absence of any such proposals is a serious deficiency.

That brings me to my second issue: the guillotining of Bills. I always use, and will try to use in my remarks, the word "guillotining", and I do so very deliberately. I do not accept saccharine euphemisms such as "timetabling" or "programming"—guillotining is what it is. It is a mechanism to cut off the time allowed for this House to debate legislation. Guillotining has been transformed, for the worse, from what it was prior to 1997. We now have a frankly deplorable parliamentary and democratic situation in which every single Bill is guillotined after Second Reading without debate. That is an utterly shameful situation ever to have been created in the House of Commons.

Natascha Engel *rose—*

Sir John Stanley: If the hon. Lady will allow me, I am going to make a little more progress.

I am fundamentally opposed to and in disagreement with one of the principles listed in the Committee's report—principle 1(d), on page 83, which states:

> "We should recognise that the Government is entitled to a guarantee of having its own business, and in particular Ministerial legislation, considered at a time of its own choosing, and concluded by a set date".

That principle applies to each and every piece of legislation, and I do not accept it. For me, the principle that is absolutely fundamental and all-important—sadly, it does not feature in the Committee's list—is the principle that this House is entitled to a guarantee of adequate time to consider each and every Bill that comes before it: to debate that Bill, to be able to amend it, and to vote on it.

The position prior to 1997 was based on a subtle and, I believe, very successful balance. It did not prevent the Government of the day from getting their legislation through; if any Member in this House is in any doubt about that, the figures and statistics available in the Library make it absolutely plain. The overwhelming majority of Government Bills, under Governments of all political persuasions, went through without a guillotine. That is because of the balance that was struck by having a guillotine available but not using it except as a weapon of last resort.

The balance worked like this: the Opposition parties knew perfectly well that if they filibustered, they would walk themselves into a guillotine motion; equally, on the Government side, the Minister responsible for the Bill knew that he or she would have to go to the Dispatch Box to handle a debate to try to persuade the House that the guillotine motion was justified, and if he or she could not do it, they would, rightly, get a really rough ride from the House. That is how the balance worked, and it worked successfully; and that is why the overwhelming majority of Bills went through without a guillotine. I am not going to support what the Committee has proposed in this respect. I believe that the House would be well advised to go back to the pre-1997 situation.

I come now to my third issue, which is of crucial importance but, sadly, is not referred to at any point by the Committee and has not been mentioned so far in this debate: the boundary between primary and secondary legislation. Secondary legislation, again as a result of an unwritten but vitally important convention of this House, should be confined only to issues of detail that are broadly non-controversial. I had an interesting reminder of that very early on when I was responsible for drafting the "right to buy" Bill in the very first Session of the previous Conservative Government. I requested an order-making power, and a crisp minute came back from the first parliamentary counsel, who had made himself responsible for drafting the Bill because it was the Government's flagship Bill, saying, "Minister, you've drafted this order-making power far too wide. You must either narrow the power you are seeking or put it on to the face of the Bill so that it can be scrutinised as primary legislation." The reason why secondary legislation should be narrowly drawn, as the House is well aware, is simply that the House has very marginal control over it. The great majority of secondary legislation is not debated or voted on, and none of it, whether under the affirmative or the negative resolution, can be amended.

Hugh Bayley: Will the right hon. Gentleman give way?

Sir John Stanley: If the hon. Gentleman will forgive me, I want to finish making this point.

The House has very limited control over secondary legislation. Sadly, and very seriously, the convention to which I referred has been completely torn to shreds by this present Government. If the House wants an example, I give it section 2 of the Fiscal Responsibility Act 2010, which has very recently gone on to the statute book. Under the heading, "Further duties for securing sound public finances", subsection (1) states:

> "The Treasury may make an order imposing on the Treasury a duty or duties framed by reference to any one or more of the financial years ending in 2011 to 2016."

So here we have an order-making power putting on to the Treasury statutory obligations that vitally affect macro-economic policy, jobs, employment, and so on—legal powers that the Treasury will be obliged to adhere to, all whistling through this House on the basis of a 90-minute non-amendable debate. That, in my book, is a gross abuse of the legislative power of this House.

It is for those reasons that, while I recognise that these reforms are a very small step in the right direction, I take the view that they are wholly inadequate to restore the legislative authority of the House of Commons.

6.47 pm

Mr. Chris Mullin (Sunderland, South) (Lab): I listened with great interest to the right hon. Member for Tonbridge and Malling (Sir John Stanley). I agree with him that the timetabling process has been abused in recent years, although I am not against timetabling in principle because there were also many abuses of the old system. However, I think that our proposal for a business committee that dealt with all the business of the House would help to address some of the problems that he rightly highlights, and I would direct his attention to that.

I listened to my hon. Friend the Member for North-East Derbyshire (Natascha Engel) with great interest. I always have respect for someone who goes against the tide, because I have done that myself from time to time, but I was hoping to hear from her at some stage, either during the Committee's proceedings or tonight, some clue as to what reforms she wants. She did not give us that tonight, and she did not do so in the Committee, so I remain curious on that point. I will leave it at that.

I add to the tributes of others my tribute to my hon. Friend the Member for Cannock Chase (Dr. Wright), who, like me, is sadly leaving this place in a few weeks' time. He has led a most distinguished career here during which his contribution to the way in which the House has functioned is a model for those who come afterwards as Back-Bench Members. It has been a great honour to serve on the same Committee as him.

I regard the issues that we are debating today as a test of how seriously we take ourselves. If we do not take ourselves seriously, we cannot expect people outside this place to do so. In the 23 years I have been in the House, one thing that has disappointed me has been how some of our number are prepared to fight with great passion to remain impotent. I remember that when I was Chairman of the Select Committee on Home Affairs, one of the Clerks remarked, "Members have considerable power, it is just that they choose not to use it." The time has come for us to start using some of the power that we have. The proposed reforms are not a revolution—the process is evolutionary—but most of the them are no-brainers. It surely has to be right that the House decides how it will go about scrutinising the activities of the Executive. That is the core of what we are here for.

I well remember that when I first came here, it was made clear to me in no uncertain terms that I could expect no preferment whatever. I put my name down for membership of the Home Affairs Committee for three or four years running, because I had a certain interest in how the criminal justice system was functioning at that time. Nothing happened, of course, and after three or four years I went to see the Chief Whip, my noble Friend Derek Foster, a good friend of mine. He said to me, "Talk to Roy." Roy was the shadow Home Secretary, Roy Hattersley. It did not seem right to me that the shadow Home Secretary should decide who was on the Home Affairs Committee, because he might one day become the Home Secretary.

Anyway, I went to see Roy, who stood with his hands in his pockets, looked at the floor and said ambiguously, "I'll see what can be done." I know exactly what was done, because my friend Derek Foster told me afterwards. A message came from the Leader of the Opposition's office to the Chief Whip saying that the Leader understood that there was a vacancy on the Home Affairs Committee, and that he had one or two names in mind for who should fill it. When the Chief Whip got to there, he discovered that in fact he had no names in mind for who should fill the vacancy but one name for who should not. It seems quite wrong that that is how Select Committee members are selected.

After a while I became very respectable, as you know, Mr. Deputy Speaker. There came a moment when Law Lords, cardinals and Tory Home Secretaries were happy to be seen in my company, and I could no longer be denied a coveted place on the Home Affairs Committee. In due course I became Chairman of it, and I remarked to the Chief Whip of the day that I would like to be consulted when vacancies arose. I said that I would just like to be shown the names of the applicants and allowed to express my view—I was not asking to decide. She—I should make it clear that it was not my right hon. Friend the Member for North-West Durham (Hilary Armstrong)—showed me a book one evening in the Division Lobby in which the names were written down, and it closed so quickly that I could not see any of the names on the page. I think the situation has improved since then, but in those days that was consultation. The imperfect system that we have all put up with for far too long needs to be challenged, and this is the moment to challenge it. As I said, it seems to me a no-brainer.

It is absolutely right that the size of Select Committees needs to be brought down again. It went up only temporarily a few years ago, I think as a way of finding the boys and girls something to do. A Committee of 14 is far too large, and we rapidly found ourselves in a situation in which both sides were having to put Parliamentary Private Secretaries and Front-Bench spokesmen on Select Committees, which defeated the object of the exercise. I believe that there is general agreement that we need to go back to a more manageable size, so that that is not necessary. I hope that we will

[Mr. Chris Mullin]

never again see PPSs and people from the Government payroll on Select Committees. I also agree entirely with those who say that there must be consequences for Committee members who do not attend.

The single greatest omission is a motion to set up a business committee that would cover the entire business of the House. I am glad that the Leader of the House has said that that omission will be rectified. Incidentally, I am grateful to her also for reading out at the beginning of her remarks a list of the reforms that have occurred in the past 20 or 30 years that have made this place work better. I hear people outside here, and sometimes inside, say, "You're all useless and nothing has changed", but the list that my right hon. and learned Friend read out shows that some of the reforms that have taken place have been rather bigger than some of those that are being suggested today. We have gone backwards in some respects, but in other respects those reforms have had the effect of making the business of the House work more effectively.

I should like the Intelligence and Security Committee to come within the ambit of the House and become a Committee of it, rather than one appointed by and accountable to the Prime Minister. I have pressed for that for many years. When I was Chairman of the Home Affairs Committee there were two inquiries on precisely that point. I make no comment on the recent difficulties over whether the security services have been mixed up in torture overseas, but it is in their interests that they are seen to be scrutinised independently on such issues. I hope that the Government will eventually concede on that.

Mr. Tyrie: As the hon. Gentleman knows, we did a double act of trying to get the reform of the ISC into the Wright Committee report. He knows that the proposal that has been put forward is not to make it a Select Committee of Parliament but merely that Parliament should elect its chairman, with a veto still in the hands of the Prime Minister. Does he support that as an interim measure, and how does he believe we can best ensure that we have an opportunity to vote on it when it comes to the votes early in March?

Mr. Mullin: I support that as an interim measure, but I should like us to get to a position at which it becomes a Committee of the House. There are obviously some special considerations to be taken into account, and perhaps the Prime Minister does have to be consulted, but in general I support that idea. I am not a procedural expert, so if the hon. Gentleman will forgive me I shall not attempt on my feet to devise a way in which the matter can be voted upon.

I wish to refer to an issue on which the House of Commons Reform Committee was split down the middle. I suspect that I am in a minority in the House on it, although I believe myself to be in a comfortable majority outside the House. It is the 80-day recess that we award ourselves and the 80-day holiday from scrutiny that we award the Government.

Mr. David Blunkett (Sheffield, Brightside) (Lab): It is not a holiday.

Mr. Mullin: I agree with my right hon. Friend—I used the term "holiday from scrutiny", I did not suggest that we are all on holiday during the recess. I know that he is not, and I know that I am not, but I know the public think we are. That is the problem.

Natascha Engel: It is important to say that part of the reason why the Committee was split down the middle on September sittings was that a lot of people thought that they would not in themselves be the solution to rebuilding trust outside, and that we should examine the whole parliamentary timetable and consider why we have overblown public school sitting times, rather than just consider sitting again for two weeks in September.

Mr. Mullin: We have to start somewhere, and I get more and more puzzled about what my hon. Friend actually wants. She said that many of the proposals that we are discussing this evening were arcane and too complex for the outside world to understand, but this is one that the outside world has grasped readily. It is about time we grasped it, too. We are not asking for anything revolutionary, just for probably eight days sometime in September. That would still allow time for the conferences and all the other things that have to happen. Members often forget that we actually voted for that six years ago as a part of a package put to the House by the late Robin Cook. The words he used when he introduced that measure—I remember them well—were, "The deal is". The deal was that in return for making the House's sitting times family friendly by giving us half-terms and so forth, we would sit for a week or two in September. That was the deal, and we reneged on it. The first excuse was that a security screen had to be set up, and when that ran out, the excuse was that there would not be enough business. I do not buy that and nor do the public, and it is time we addressed it.

Mark Fisher (Stoke-on-Trent, Central) (Lab): Does my hon. Friend agree that we should base our working year on our constituents' working year, and that there is absolutely no reason why we should have such incredibly long holidays?

Mr. Mullin: I do not accept the word "holidays"—they are parliamentary recesses—but I agree that there is no reason why they should be so long. We are going to make progress slowly and I do not want to trouble the House with anything too revolutionary, but eight days in September is not too much to ask.

The Committee's conclusions, some of which were compromises because the Committee did not agreed on everything, are a reasonable beginning to what we know needs to be done to make this place function more efficiently. The two core proposals—the big-ticket items, if I may use my right hon. and learned Friend the Leader of the House's phrase—are for a business committee that covers all House business and to take election to Select Committees out of the hands of the Executive. I hope I live long enough to see them implemented.

It is now or never. There is no point in saying that we should leave this to another Parliament consisting of a lot of new people with no experience. It will take them, as it took me, at least 10 years to work out what is wrong, which is a recipe for doing nothing. It is now or never, and I say it should be now.

7.2 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): It was a pleasure to serve on the Reform of the House of Commons Committee under the chairmanship of the hon. Member for Cannock Chase (Dr. Wright). I learned a lot from members of the Committee, both older and younger, because everyone brought their experience to it, including the hon. Member for Sunderland, South (Mr. Mullin) and his fellow conspirator on the Intelligence and Security Committee, the hon. Member for Chichester (Mr. Tyrie).

If the House of Commons Reform Committee was in any doubt about the issues when it started its work, the situation was made clear by the way in which the Committee was set up and how the House, by which I mean the Government, handled it. It took so long for the Government to put the motion to set up the Committee in a place on the Order Paper that meant that it could be debated and pressed to a Division, which was reasonable for the House to expect, that there was originally no proper consultation on the terms of reference. It would have been sensible for the Government to consult the House, given that the motion was on reform of the House. It also took a long time for the Government to respond—I would not have minded had they swiftly tabled motions as a response—and for us to be in a position in which we could decide what reforms we wanted, even before the bizarre process that we now face.

All of that should tell us that the House, especially on House matters, should be able to put motions on the Order Paper in an orderly way, promptly, and in a way that Members of the House, and preferably the public, can understand. That is why it was bizarre to hear the Leader of the House claim credit for the fact that we have reached this point. Only the Government could set up the Committee, so they are claiming credit for something when they have no competition—*[Interruption.]* The right hon. and learned Lady is saying something from a sedentary position and I would be happy for her to intervene. My point is that the House should be grateful to the Government for what they are doing and for reaching the point that they have reached today, and recognise the commitment to reform that the Prime Minister originally gave in 2007, but given what I said about what has brought us to this point, I do not think they did things better than anyone else could have done, because no one else could do anything, and the way they have gone about things has been unsatisfactory.

However, the process has shown us that there is an appetite for reform. The Government have seen that, because they rightly conceded, as they had to, a variation to the terms of reference. They also had to concede amendments to some of the motions on today's Order Paper. Amendment (a), which I helped to draft, to motion 9 has now been signed by 128 Members, and it would have been signed by more if we had had more than a day to collect signatures. I am grateful to my hon. Friend the Member for East Dunbartonshire (Jo Swinson), and to the hon. Members for Stoke-on-Trent, Central (Mark Fisher) and for North Essex (Mr. Jenkin) for the urgency and energy that they put into collecting those names. That shows that there is huge appetite for reform.

We were warned—I was certainly told this—that we would not get anywhere with the concept of a House business committee and that we ought to concentrate on getting support for other measures. However, once the Government support those other measures, the only game in town is getting the measures that the Government are not minded to support. The fact that the Leader of the House is going to support amendment (a) to motion 9—I hope that others in the Government will follow her into the Lobby—shows that there is very wide support for it.

That the shadow Leader of the House, the right hon. Member for North-West Hampshire (Sir George Young), was able to support the amendment enthusiastically at a relatively early stage, and that he has been such a strong supporter for a Back-Bench business committee, is very telling. He regards himself as the Leader of the House in waiting—although I pay tribute to him and cannot think of a better person, I hope that that does not happen—and he must recognise that the Government of whom he hopes to be a part would not be able to manipulate business in the way that previous Governments have if the amendment to which he has now signed up is made. That is statesmanship and very worth while. It is wrong to criticise people for changing their minds, and I therefore make no criticism of the Leader of the House for now saying—I will not use the word "U-turn"—that she supports the amendment. That should be welcomed unconditionally.

However, on the Back-Bench business committee motion, and as I mentioned in an intervention, the Procedure Committee, to which we are entrusting the matter, is not initially down to be an elected Committee, although there will be review after two years. Therefore, by definition, the Procedure Committee will remain Whip-appointed. I do not cast any aspersions on the intentions of those who have served, do serve and would serve on that Committee, but motion 9 needs to be a little more detailed. If we are going to ask a Whip-appointed Committee to set out what the Back-Bench business committee does, it should specify that it should be elected by secret ballot and that all House business except primary and secondary legislation and associated orders and motions, ministerial statements, Opposition business and motions for an address, is Back-Bench business, which means estimates days, Liaison Committee matters and, critically, private Members' Bills.

That would mean that Back Benchers could determine whether private Members' Bills—or at least the top seven—live or die on the basis of the support of the House, and that such Bills would not be quorumed out, talked out or procedured out. It is ridiculous for hon. Members and the public to spend much time dealing with those Bills only for them to be lost on procedure. If that means that the Government must whip because they find a private Member's Bill unacceptable, so be it. Not everything that comes out of the Whips Office is bad. It is legitimate for Government Whips to whip to carry their majority—that is their right—but it is not appropriate or acceptable for the Whips Office to manipulate business so that we do not properly scrutinise it.

I want to make another point on the scrutiny of legislation. The Leader of the House knows—I have raised this on one, two or perhaps 14 times with her at business questions—about my concerns that we cannot debate on Report what we wish to debate or press what we wish to press to a Division. Scrutiny on Report is critical, because the Public Bill Committee does not deliver. A Report stage provides the only opportunity for Back Benchers who are not on a Public Bill Committee

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to debate and vote, the only opportunity for Back-Bench amendments to be promoted, the only opportunity for Select Committees and their Chairs to join in detailed debate, and the only opportunity for Members to debate Government amendments tabled after the Committee stage or tabled at short notice in Committee.

Timetabling in Committee may mean that some clauses receive little scrutiny there. Votes are often postponed until Report, and if we do not reach those clauses on Report, it will not be possible for votes to take place. That applies particularly to free votes. Free votes in Public Bill Committees are meaningless, because, by definition, they cannot be represented in the selection for those Committees. The Report stage provides the only chance for rebels to rebel, and that puts pressure on the Government to justify, to compromise or, I suppose, to persuade.

The Library has identified a number of instances in which proper Report stage scrutiny has not taken place. The list is too long for me to give all the details, but I think I should give four random examples. On the Bill that became the Apprenticeships, Skills, Children and Learning Act 2009, nine groups of amendments were selected by the Speaker, and 20 Government amendments or new clauses and 47 Opposition amendments or new clauses were not reached. On the Bill that became the Coroners and Justice Act 2009, 14 groups of amendments were selected by the Speaker, and 18 Government amendments and new clauses and 48 Opposition amendments and new clauses were not reached. In the Coroners and Justice Bill we reformed the murder law in this country, but we were not given a chance to debate it on the Floor of the House. The law of murder was reformed in that Bill, but only the unelected House was able to debate it.

What the House business committee would deliver—along with a guarantee that the Government would have enough time to get their business through, would have first choice of dates and would have a set end date, as they have at present—is determination, by consensus, that everything that the House needed to debate would be debated, and everything on which the House felt that it needed to vote would be voted on. That might mean more work for the Whips Office to ensure that the Government, given their majority in the House of Commons, could exercise that "mandate" at the appropriate time, but it would at least mean that those of us who wished to express concerns or make suggestions could have their day in court, or rather their day in Parliament.

Mr. Cash: Does the hon. Gentleman agree that to give effect to his excellent suggestion, we would need time in which to debate those matters properly?

Dr. Harris: Absolutely. The House business committee would, I think, be better able to identify, as the Library and the Clerks Department have done—without increasing the number of times that we sit, and there are no proposals in the report to increase them—all the days on which business finishes early. Second Readings of simple Bills to which there is little opposition do not require a whole day of debate. Some of that time could be banked to ensure that, more often, two days were allotted for Report stages, and—crucially—that the knives that are currently inserted to protect the business that follows were inserted before, rather than after, the business that we most want and need to discuss.

Sir Robert Smith: That can, of course, be achieved in the case of the Finance Bill, which is subject to no programme or guillotine but is debated properly.

Dr. Harris: Indeed. In fact, there are many such examples.

Clearly, if there were more time for debate on Report, Members' speeches might expand to fill that extra time. In its holistic report, the Committee made the legitimate point that restrictions on the length of speeches on Report might well be appropriate and could be identified in advance to ensure that we completed our business on Report.

Scrutiny of legislation is critical. The real question is, whose business is it to scrutinise Government-sponsored legislation? Is it the Government's business, or is it the business of the House? It is clearly the business of the House, and therefore, at the very least, it should be within the purview of the House business committee. Front Benchers must clearly be represented, because they must identify their priorities. Both the report and our amendment guarantee that they would be given the time that they require to get their business through, which may be why the Leader of the House felt able to support the amendment. However, it has also been pointed out that it is important for us to improve scrutiny, and to recognise that what happens at present is often the opposite of scrutiny.

Select Committee scrutiny is also critical. As we heard from the hon. Member for Cannock Chase, it is simply wrong for the Government to appoint members of Committees that scrutinise them. The same applies to the Opposition: as was pointed out by the hon. Member for Sunderland, South, the shadow Minister will soon be the Minister. More than that is required, however: we need to ensure that Select Committee reports do not just sit on a shelf. The Government must be bound to respond to those reports, because sometimes they do not even do that. I serve on the Joint Committee on Human Rights, and we have written time and again to request even a response to some of our reports. Sometimes, when the Government do respond, they do not address the issues.

If we could ensure that, in due course, some Select Committee recommendations were subjected to a decision on the Floor of the House, the Government would be forced to respond properly and to justify their rejection of recommendations. They would have to whip the House to oppose them, as they have a right to do, but those who serve on Select Committees would see that there was an end point at which the House itself considered and, indeed, voted on selected amendments. If Select Committee members felt that that would happen, they would be more engaged, they would turn up, and we would have stronger scrutiny.

7.15 pm

Mark Fisher (Stoke-on-Trent, Central) (Lab): It is a pleasure to follow the hon. Member for Oxford, West and Abingdon (Dr. Harris), and to pay tribute to the part that he has played in getting us where we are today.

He played an enormous part in ensuring that the amendment was tabled, and in working so constructively and coherently with the Leader of the House and members of all parties. That is an admirable example of the way in which non-partisan but very principled work can deliver enormously constructive and helpful changes in the House.

However, the Member at the centre of the whole debate, and of all our thinking today, is the Member sitting behind me, my hon. Friend the Member for Cannock Chase (Dr. Wright). Tributes to him have been implicit in all the speeches that have been made so far. We owe him an enormous amount. The best way in which we can ensure that sufficient tribute is paid to him—although probably only the Government can do this—is to arrange for him no longer to be our hon. Friend but to become our right hon. Friend. If anyone has gained, indeed earned, the honour of being a right hon. Member of this House, surely it is he.

Natascha Engel: Make him a Lord!

Mark Fisher: Certainly not. He is first, foremost and always a democrat.

In the excellent speech in which he effectively introduced the motion—I hope the Leader of the House will forgive me for saying that—my hon. Friend said, "We are nearly there." The question is, who are the "we" and where is the "there" that we are near? With one or two very creditable exceptions—it is vital, in any debate, to hear distant voices that make people think—the "we" has been represented by Members in all parts of the House, many of whom have worked for reform for years. At the beginning of the debate, when the Chamber was rather fuller, it was interesting to look around and see, gathered in one room, people representing all the organisations, all the time and all the thinking that has gone into reform over the 27 years during which I have been here and, indeed, before that. I am thinking of the Hansard Society, numerous committees, and all the conferences outside this place.

Being one of little faith, I have to say that five years ago I would not have put any money on our reaching the point that we have reached today. It seemed that battering our heads against the House and its resistance to any sort of reform would see me out. It is an amazing tribute to my hon. Friend the Member for Cannock Chase, to the Leader of the House and to many Members in the Chamber today that, almost in the last few weeks—certainly in the last few months—we have made such enormous strides. We really are nearly there. We are on the brink of reform, but we are not there yet. This is the start of the process. My hon. Friend the Member for North-East Derbyshire (Natascha Engel) kept anxiously saying, "Surely this is not it; this must be just the start of the process." Of course, anyone who believes in the reform of this House knows that these are tentative first steps, but they are vital. They are the beginning of the process, not the end.

Throughout her speech, my hon. Friend asked why we were not asking more fundamental questions. There cannot be a more fundamental assumption behind our reforms than the need to get the balance between the House and the Executive right. That is what has gone so wrong with Parliament politically over the last few years.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Does my hon. Friend agree that rather than this being a technical and navel-gazing issue, nothing could do more to raise the esteem in which MPs are held by the public than taking back a little power into the hands of elected Members through these reforms?

Mark Fisher: I entirely agree with my hon. Friend, but it is more a rebalancing of two distinct roles: that of the Executive—who have a role of their own in proposing legislation, imposing taxation and taking action on behalf of this country—and that of this House. The two are often confused, but the role of this House is to hold the Government to account, scrutinise them, ask them severe questions and test them on behalf of our constituents. Those two distinct roles are at the centre of all the reforms that we wish to make, and we are getting there, gradually.

Parliament has not been working well, and that is only partly to do with the expenses issue of the last year. It has not been working well politically, and we have not been holding the Government to account. It is not just an idealistic point that the role of Back Benchers is to hold the Government to account, because it is in the Government's interest that they are held to account more effectively. Governments who are rigorously scrutinised are bound to be much better Governments. We so often confuse power and strength with effectiveness. Governments have always had difficulty with freedom of information, because they feel that they are giving away control, and therefore power. However, if the Government give away power through freedom of information, they become stronger and their actions are improved. So it is with the reform of this House. A reformed House will lead to a stronger and better Government, and will help to distinguish between power, which Governments have, and strength, which they often do not have because they do not carry things through this House.

Sir Robert Smith: Does the hon. Gentleman agree that it will be an important legacy of these reforms if we do not stop here, and if we recognise that the issue is not only about process and rules, but about the attitude to those rules and the approach that Members take when they come into the new Parliament in taking advantage of the system that has been left by this Parliament?

Mark Fisher: I do agree.

The interesting thing about the report is that it tends to concentrate on structures. They are a necessary and vital first step in achieving reform, but they are not in themselves sufficient. We will also have to change the culture of this place if we are to achieve real reform. For example, we must stop seeing total party loyalty as the be-all and end-all of everything. My hon. Friend the Member for North-East Derbyshire questioned whether parties should have primacy. Of course we need Whips and strong party discipline for the effective running of government, but we also need MPs with an independence of mind if we are to be an effective Parliament.

In the last 10 years, we have the perfect example of failing to be independent of mind, and the country is still paying the price. When the former Prime Minister made that extraordinary speech introducing the Iraq war, many Members of Parliament from all parties had

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enormous doubts. Had they been left to their own consciences, they would not have given their support to the Government that night. Many of them have felt let down subsequently and doubted themselves because they were seduced into being loyal to the then Prime Minister, who certainly made a very powerful speech. I suspect that the House did not cast its votes in the way that Members really believed that night, and we have paid an enormous price. If there had been a genuinely free vote, and Members had voted as they felt the arguments led them to do, the result would have been different and we would not have been involved in that disastrous war.

Mr. Tyrie: That is an interesting point. I have given some thought to whether, if the Wright Committee proposals had already been in place, we might have had a different outcome. Does he think that if they had been in place we might have had that debate a few days or weeks earlier and that we might have had two days for debate, in which we would have had more time to think about it and listen to the arguments, possibly resulting in a different outcome?

Mark Fisher: We could go on with interesting hypotheses, but the hon. Gentleman makes a good point.

Natascha Engel: Does my hon. Friend agree that the recent study by Phil Cowley from Nottingham university demonstrated that this Parliament and other recent Parliaments have been the most rebellious Parliaments of all time? We are more independent of political parties than we have been in the past, so the issue is not the independence of mind of MPs, but the way in which this place works—or does not work.

Mark Fisher: I am not entirely sure which Parliaments my hon. Friend has been a Member of if she really thinks that this is a Parliament of free and independent minds. She seems to have lived through a different Parliament than the one that I have lived through.

We are on the brink of reform, and we now need to step over the brink. This is just a start, and we must not forget why we are here and how we got to this point. What is sad is that we need to make that step to reform quickly and decisively now, because—as others have said—come the general election we will have a great many new Members and, tragically, some of the most important voices in the reform debate over the last few years will be lost, such as my hon. Friends the Members for Cannock Chase, for Reading, West (Martin Salter) and for Sunderland, South (Mr. Mullin), the hon. Members for Cambridge (David Howarth), for Congleton (Ann Winterton), for South Staffordshire (Sir Patrick Cormack) and for Macclesfield (Sir Nicholas Winterton), and the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg). Those people are leaving and the new Members will come hot from the election and all the excitement of standing for their party in the general election. They will find it difficult to see themselves as parliamentarians, after their role in the election as proud flag wavers of the party cause. The House will lose the benefit of some of the wisest and most thoughtful people on the reform agenda.

Mr. David Drew (Stroud) (Lab/Co-op): Does my hon. Friend see the importance of revitalising local parties? We relate better to this place if we can go back to our local parties, which are not the same as the national party, as well as to our constituencies. These changes will help to move us in that direction.

Mark Fisher: I entirely agree with my hon. Friend, as I do on so many occasions. The importance of local party democracy is central.

Although throughout this debate we have identified the importance of this House in holding the Government to account, the other thrust, which we have perhaps not discussed enough, is the sense that reform will help us to create and sense our own identity—an identity distinct from that of the Government. It is difficult in this House to hold that paradox in one's head. My hon. Friend the Member for Nottingham, North (Mr. Allen) has a solution to that: the separation of powers. That is not a solution that appeals to me. We have to hold on to that paradox and get the tension in it to work in our favour. However, in doing so we have to see a distinct identity for this place, and not see it as simply a rubber stamp for the party in government.

That has been the weakness of the Parliaments of the past few years, a weakness that has been compounded by the enormous majorities that the country has sent us here with. I suspect that the next Parliament will not have the same kind of monumental majority, which has been a source of huge weakness, so it might not have the same problem. However, if the next Parliament—albeit without the benefit of many of the people who have spoken in this debate—can find a sense of its own identity, it will be able to carry forward the reform that the committee of inquiry chaired by my hon. Friend the Member for Cannock Chase deserves. He has given us the foundation of the reform that we desperately need. If we are to carry it forward in the next Parliament, we have to have that sense of our own identity.

7.31 pm

Sir Patrick Cormack (South Staffordshire) (Con): It is a great pleasure to follow my friend, the hon. Member for Stoke-on-Trent, Central (Mark Fisher). I am sure that I speak on behalf of all who know him in saying that I am delighted that he is back in the House after his recent illness and hope that he will soon be completely fit again.

What a pleasure it is to take part in a debate that, effectively, was initiated by another Staffordshire friend, the hon. Member for Cannock Chase (Dr. Wright). If he will forgive my saying so, from the moment that he came into the House he has been an exemplary next-door neighbour, and he has been an exemplary Chairman of his Committee too. The House owes him a great deal. His legacy is the report that we are discussing; the effectiveness of that legacy will depend on how truly people implement it.

I say that because there are two or three weaknesses that one must face up to. First, the hon. Gentleman's Committee was fairly constrained in its terms of reference, a point alluded to by the hon. Member for North-East Derbyshire (Natascha Engel). Secondly, the Committee was time-constrained. It was set up in a bit of a hurry and—I chose my words carefully—in a little bit of a

panic reaction. It was to the credit of the hon. Gentleman and all who served on the Committee with him that they produced such a sensible and workmanlike document in such a short space of time. However, we must not become euphoric, because there is a danger that the changes advocated in the report could become cosmetic. The hon. Member for Stoke-on-Trent, Central made an important point towards the end of his speech, when he referred to the enormous majorities in recent Parliaments. We all have to recognise that, to a large degree, the power of the House of Commons depends on the size of the Government's majority.

I had the good fortune to be elected to this place in 1970. The Government of Ted Heath had a workable but not an enormous majority. They had to fight for some of their policies and, in the case of the European debate—I mention this merely as a historical event and not to antagonise my hon. Friend the Member for Stone (Mr. Cash)—they were dependent on votes from the Labour party to get that key element of their policy through the House of Commons. Because of that, that Government had an implicit respect for the House of Commons.

After that there was what I will always consider the unnecessary election of February 1974—I spoke against it at the time—when the Prime Minister asked who governed the country. It was he who should have done so; he did not need to go to the country. He went to the country and he lost his majority. Paradoxically, he got a majority of the popular vote, but he lost his majority. From February 1974 until March 1979, this place truly had power and influence, because there was never a vote that the Government could absolutely accurately predict that they would win.

Then we moved to Mrs. Thatcher's first Government, for whom the arithmetic was not very different from that for Edward Heath's Government. Again, the Government had to argue. I well remember when there was a majority of 42 going with 21 signatures with my now noble Friend Lord Higgins to see a Cabinet Minister and saying that we could not wear a particular policy, which was subsequently significantly amended. All that went in 1983, after the longest suicide note in history, when we had the next Thatcher Government. Since the brief period between 1992 and 1997, when John Major had a dwindling and at the end non-existent majority, we have had Governments with majorities that have been so large that the House of Commons has not really been able to do anything about it.

I have often thought that the famous motion that Dunning moved, I think in 1782—that the power of the Crown had increased, was increasing and ought to be diminished—has been the subtext for those of us who have been unhappy about the overweening power of the Executive. The power of the Executive has increased, is increasing and ought to be diminished. Whether the reforms before us this evening will have that effect I know not. We stand on the brink of a general election, and although I love this place with a passion, I will not be in the next House of Commons, whatever the electorate does. I just wonder what will happen, because of the power of the Whips, with perhaps 300 new Members in the new Parliament, although I do not say that in any vicious sense. There has to be a whipping system, as others have said. Party is essential for civilised democracy in this country—it is part of the system—particularly if we are not to abandon, as I do not wish us to abandon our concept of the separation of powers. However, influence is not just overt; it is also covert.

When we look at the proposals—we will vote on them next week—we have to remember that there are more ways of influencing a Member than the crudest and the simplest, just as we have to remember that any system devised for the examination and scrutiny of legislation is open to abuse, whether the abuse of the filibuster, if we have unlimited time, or, as we have seen in recent years, the abuse of the timetable, which has created the absurd situations referred to so graphically by the hon. Member for Oxford, West and Abingdon (Dr. Harris). Time is terribly important in this House. If we are to constrain our time so much, for whatever reasons—and there were some good reasons for changing the hours in 1997—we must recognise that there has to be a self-denying ordinance on the part of the Government in relation to the amount of legislation that they place before the House.

I shall conclude by making one or two specific remarks about the proposals. In my memo to the Committee, I suggested that there should be a properly appointed Committee of Selection, chaired by either the Speaker or the Chairman of Ways and Means, that would, to a degree, be the fount of appointments. The hon. Member for North-East Derbyshire made some important points in that regard. Elections are not the only answer to having more independent Select Committees. Whether we have elections for their Chairmen and members or not, however, we want a Committee of Selection that will be the creature of the House and not the creature of the Executive. We also want a business Committee, and again I would favour one that was the creature of the House and not of the Executive. It would be entirely logical for the Chairman of Ways and Means to preside over the Committee of Selection, and for the Speaker to preside over the business Committee. There are other countries in which something like that happens.

It is also terribly important that, as we move forward towards sensible reform, we do not abandon some of the things that mark the traditions of this place. I think it was the hon. Member for Somerton and Frome (Mr. Heath) who made a jocular reference to the new carpet earlier. The new carpet is not a Cyril Lord concoction with a gaudy pattern on it, and none of us would have wanted it to be. It bears the two red stripes, which are symbolic in our parliamentary life. It is therefore part of our traditional Chamber.

I make no apology for being a traditionalist, which is why I have tabled amendments to get rid of the silly notion of calling everyone who is in charge of a Committee a piece of furniture. That is a nonsense up with which we do not need to put. Certainly the great women in recent parliamentary history, such as the late Gwyneth Dunwoody and the very much alive Baroness Boothroyd, would have scoffed at such a suggestion. Indeed, I have heard Baroness Boothroyd do so—not in this particular context, but in others.

The proposals would bring about an utterly unnecessary cosmetic change. One of the reasons that I oppose them is that, if I love anything as much as I love the House of Commons, I love the English language. Next year, we shall celebrate one of the seminal works in the English language, the King James Bible. It would be a pretty poor parliamentary recognition of the importance of

[Sir Patrick Cormack]

the greatest worldwide language since Latin if we started in this place to call people pieces of furniture. I hope that my minor amendments will be accepted, even perhaps by the Chairman of the Committee that produced this report. For the rest, I will vote for the motions to implement his report. I think that I shall vote for every proposal, although I might just reflect on one or two things. The report contains a small series of imperfect but necessary steps, and I hope that they will serve well the new House of Commons and those who sit here, and help to redress the balance that we all want to see redressed.

7.43 pm

Mr. Parmjit Dhanda (Gloucester) (Lab): I have just overheard one of my colleagues describing the hon. Member for South Staffordshire (Sir Patrick Cormack) as a magnificent parliamentary specimen. I am sure that he was absolutely right. It is always a pleasure to follow the hon. Gentleman. I clearly recall an occasion a few months ago when I had to speak after him. I think that it was during one of the Hansard Society debates during the speakership campaign. We were both asked to talk about our experience. He said that he had served the House since 1970—that is nearly 40 years—and I had to confess that I was not even born until a year after he began to serve the House.

I agree with the hon. Gentleman and with most of the other speakers in this debate. I should like to join the consensus supporting the excellent work done by my hon. Friend the Member for Cannock Chase (Dr. Wright) and his Committee. I also think that my hon. Friend the Member for North-East Derbyshire (Natascha Engel) made some good points, however, and I want to pick up the gauntlet that was thrown down by my hon. Friend the Member for Sunderland, South (Mr. Mullin) when he suggested that we could go further.

The Committee's report will drag the House forward towards the 20th century from the 18th. After the election, however, we shall probably need the equivalent of a Wright II to drag it into the Facebook and Twitter age. I believe, having talked to colleagues here and outside the House, that there could be a real danger in the months and years to come of a divide between the 30-something parliamentarians and the others in the House. I shall explain why. Some of the newer group of Members will not have had their children yet and might be planning to do so in the future; others might have young children. Others will be more savvy than I am about new forms of communication and about how to contact and be involved with their electors. They will have different ideas about how we should engage with the public than the House has traditionally had in the past.

My hon. Friend's excellent report will move powers distinctly from the Executive to the Back Benches and to Parliament. In the eyes of the public, will that give the country new confidence in us? No, I do not think that it will. It will give confidence to us as Members of Parliament, and to those in the Westminster village. It will support and help those with a trained Westminster eye. It will make a difference here, but, as my hon. Friend the Member for North-East Derbyshire and others are saying, if we are to make Parliament stronger, we need to shift the pendulum of power away from this place and into local communities. I have talked about this before, and I believe that it is relevant. We shall have to come back to the issue of the settlement between the citizen and our Parliament and debate it again in the future.

I want to outline three key areas in which we can make a difference. They were not in the remit of my hon. Friend's review, but he had a limited period in which to complete it, and he has come an awfully long way. He has proposed great recommendations for change, and we should all support them. They are changes that we need to make, but we will need to make further changes down the line. One relates to representation. If Parliament is really to be in touch with society, we need to look, act, sound and be more like it. I see one or two heads shaking on the Conservative Benches, but I do not think that that sentiment is necessarily shared by all of those on the Conservative Front Bench.

We are seeing an emerging consensus on this matter. We saw that after the Speaker's Conference. Indeed, several Members who were involved in that are here today. We have come some way, but it is important that we now look at and listen to the recommendations of that Conference. I hope that they will be discussed on the Floor of the House, and ideally not in a debate tucked away on a Thursday. Let us debate these matters on a Monday, Tuesday or Wednesday, when the House is busy, because the report produced by the Speaker's Conference is important. It is not just about getting more people from an ethnic minority background or more women into Parliament; it is also, in this modern world, about being fair and understanding towards people with mental health issues, and about getting more people with disabilities into the House.

I understand that that was not part of the remit of the review carried out by my hon. Friend's Committee, but those and other measures are still relevant. We need to consider how we can better relate to younger people and encourage them to come into the House and become Members of Parliament. Again, some small steps in the right direction have been taken and Mr. Speaker has done the right thing in moving towards providing crèche facilities in this place, but as the hon. Member for South Staffordshire has already pointed out—*[Interruption.]* One or two Members may smirk, but I suspect that in the months and years to come, recognition of the importance of such facilities will become part of the political consensus. At least I hope it will, in the same way that measures to move power from the Executive to the Back Benchers have become part of a consensus. As the hon. Member for South Staffordshire said, as Parliaments change—we may well soon get a big churn in the membership of this place—some of these issues may get forgotten, so it is very important that that does not happen and important to ensure that these changes are driven forwards in the next Parliament, whoever is here after the election.

Mr. Greg Knight: Does the hon. Gentleman agree that reform is always an ongoing process and that there should never be a time when we say that it is over?

Mr. Dhanda: The right hon. Gentleman is quite right. I was making the point that, as we have heard in today's debate, the hunger for change is greater among some

than among others. Some Members want it faster and swifter, while others are more pragmatic about it. I am outlining some of the key proposals that I believe are relevant to us now and in the future.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab) *rose—*

Mr. Dhanda: I will give way, but then I want to come on to what I think is the key change that we need to make in the future.

Ms Abbott: On the question of representation, my hon. Friend is right, but was not one of the things discovered at the Speaker's Conference that much of the responsibility will fall to the parties? Even if, through the action of the parties, we have a much more racially diverse House of Commons, is it not the case that if the Executive retain their death-grip on Parliament, the colour of its skin might be different, but it will not do anything to win back the public's confidence in it being independent and in us thinking for ourselves?

Mr. Dhanda: My hon. Friend has much more experience than me as she has campaigned for many years on these issues. Her voice was heard loud and clear through the Speaker's Conference, and I think she makes her point incredibly powerfully.

Let me come on to the issue of power and where it lies, which is the key to engagement with the electorate. That is what they really want to see—to make a real difference to rebuilding Parliament. To change people's attitude towards this place, we have to look at our structures and think about how we shift the pendulum of power away from here towards local communities. I know that there is a great deal of uncertainty and fear among Members about that proposal, but I do not think that there should be because, ultimately, it will make us stronger. As has already been said, this is similar to the Executive becoming stronger by being subject to greater scrutiny by Back Benchers.

As I have said before, I would like to see far more opportunities for parliamentary processes and practices to reach out to town halls and communities in the country at large. Our Adjournment debates provide one good example of that, because holding such debates outside this place in the regions would make a huge difference and attract much local interest, involving local communities and the local media as well.

On that subject, we need a long hard think about how we should use new media. I would like to see us showing enough trust in our public to allow them to participate in more direct democracy so that they could help to shape and decide what we debate when we have discussions about topical issues. Yes, Back Benchers and business committees should be able to shortlist what the key issues are, but why do we not allow our constituents out there in our communities, through online voting, to decide what issues should be debated? We need to revisit all these issues as early as possible in the next Parliament if we are to get up steam and put this institution behind reform and change.

Mr. Drew: I thank my hon. Friend and parliamentary neighbour for giving way. I would love the new media to be interested in this place, but it would also be helpful if the old media took an occasional bit of interest. One delcterious effect of recent developments is that this place has become greatly weakened as the media have taken less and less interest; as it has become weakened, the media have then taken even less interest. Is it not about time that the media took some interest in this place?

Mr. Dhanda: I disagree with my hon. Friend, as I think the media take quite a lot of interest in this place. They do not, however, always take an interest in the positive elements of what goes on here. As Members, we have all had to deal with that problem, particularly in recent months.

In conclusion, I truly believe that these reforms are positive and I hope that the whole House will get behind them. I congratulate all Members who served on this important Committee, but if the public are to view this not just as deck chairs being moved around a floating parliamentary Titanic from the Treasury Benches to the Back Benches, we must be honest and see this as only the first stage of making even greater reforms that will reach out to the electorate.

7.55 pm

Mr. Bernard Jenkin (North Essex) (Con): I very much welcome many of the points raised by the hon. Member for Gloucester (Mr. Dhanda), although what he said amplifies how this debate can become a Christmas tree on which everybody hangs their particular enthusiasms for what they might call parliamentary reform. I think that our debate must concentrate on the report before us and on what the hon. Member for Cannock Chase (Dr. Wright) has presented to us this afternoon, which provides a great opportunity to take a modest but extremely significant step.

All parties, including the Committee itself, have described our response to the expenses scandal as being necessary but not sufficient to wider reform; it will be sufficient only if we reform Parliament itself. Even you, Mr. Speaker, made the reform of the House of Commons part of the platform for your election. The fact that all party leaders have essentially embraced the re-empowerment of Parliament as an essential part of that reform enjoins us to give a hearty welcome to the Committee's report.

By far the most important issue before the House is control of the timetable of business. As any A-level politics student will know, the degree to which the Government control the Commons timetable is the degree to which they control the House itself. I was extremely taken by the speech of my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley), who reminded us that what used to be one of the key weapons of opposition in the House—available not just to the Opposition, but to Government Members as well—was the opportunity to delay by extending the time of scrutiny for a measure. That is why I was so taken by the point that this categorical assurance about the time-in and the time-out is perhaps given too lightly. That is where we are at the moment, however, so we should still welcome the proposals.

Mr. Edward Leigh (Gainsborough) (Con): I disagree with my hon. Friend, as I do not think that the key to increasing the power of the Parliament is increasing our power to control the timetable. Rather, I believe that the

[Mr. Edward Leigh]

key is our power to control the supply of money. Does he agree that although these reforms are a wonderful first step, the next big step is to go down the route that the American Congress has long since taken, so that our Select Committees have much greater control as the Government increase their spending?

Mr. Jenkin: I agree. I am not going to address the role of Select Committees, because the subject is too large, but the fundamental point about them is far more significant than the fact that they should be elected; it is that they should be given resources. Our Select Committees are very modest in comparison with their congressional counterparts, and they have very limited ability to get ahead of the political agenda and to start to set it in the way congressional committees do. We are going to need to look at that further.

The key point is the importance of having control over the timetable from which the House currently suffers. The present arrangements are damaging in two particular respects. First, far too much legislation passes through this House without proper scrutiny—indeed, not just without proper scrutiny, but with barely any scrutiny at all, as has been pointed out. Let us remind ourselves of what Lord Butler, the former Cabinet Secretary, said this month: "Successive Governments have come to take Parliament for granted so they rush through very bad legislation." As has been pointed out, we now rely almost wholly on the other place to do the job of scrutiny that we are elected to carry out.

That leads to the second danger: our powerlessness in the House damages the whole credibility of our democracy. If the hon. Member for Gloucester reflects on the other points that he raised, he will see that this is the key point. We are elected to the House for three principal purposes: to prevent the abuse of power, to ensure the passing of good laws, and to raise money for the Government, while guaranteeing that it is spent wisely, as was said earlier. Who today honestly believes that the House begins to carry out those functions effectively?

That brings me to the separation of powers. When Montesquieu studied the British constitution in action in his "The Spirit of Laws" of 1748, he observed, albeit partly mistakenly, the separation of powers between the Executive, the legislature and the judiciary. The separation of powers has become a founding principle of democratic constitutions around the world; it is not something that we should fear, but something that we should seek to promote. It is particularly exemplified in the constitution of the United States.

In fact, there never can be a complete separation of powers. The US President, for example, can veto new laws—a legislative function. He also personally appoints new Supreme Court justices. However, the founding fathers of the US constitution would have shuddered at the idea that the White House could determine the weekly business in the House of Representatives. Yet that is what our Government can do in our Parliament. That is not Montesquieu's separation of powers, but a fusion of powers.

Mr. Cash: I am sorry to disappoint my hon. Friend, but, somewhat rarely, I could not disagree with him more. Going down the route of the separation of powers presupposes—if he is going to use the analogy of the American system—that the President himself would have to be elected.

Mr. Jenkin: I will come to that point, my hon. Friend need not fear.

The truth is that our Parliament is no longer composed mainly of part-time citizen parliamentarians, but of professional politicians, most of whom wish, or have wished, to become Ministers, or who are Ministers. When an MP becomes a Minister, he virtually ceases to function as an MP. Ministers continue to do their best for their constituents, but they cannot hold the Executive effectively to account, because they are the Executive. That is ironic given that the House has become obsessed by conflicts of interest, and one need think only of the Register of Members' Financial Interests, outside interests, Members of Parliament owning investments, retiring Ministers taking jobs in private sector businesses that they regulated and the role of lobbyists.

A Minister's loyalty is to the Executive, but as an MP, his loyalty should be to Parliament. Inevitably, that presents a fundamental conflict of interest on occasion. One is reminded of Christ's words in Matthew 6:24:

> "No man can serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other."

Christ was, of course, referring to God and Mammon, but he might as easily have been talking about the House of Commons and the Prime Minister offering a ministerial salary to one of his Back Benchers.

It is worth considering that before the second world war perhaps 50 Members of the House of Commons were on the Government payroll; today, 141 MPs are on the payroll. In a parliamentary system, there must be a recognition of that conflict of interest. As the parliamentary ombudsman recently told the Public Administration Committee—this is quoted in the report—there is

> "no visible distinction between Parliament and government."

That is something that we must address.

We have also seen the increasing power and centralisation of political parties in recent times. As has been said, political parties are indispensable, but Members of Parliament are no longer elected and then apply to take the Whip of this or that party. Parties are now defined and regulated by statute. The Burkean principle of MP as representative has been progressively eroded and replaced by the notion of MP as party delegate. Party leaders can now get rid of MPs they do not like, as we saw in the Conservative party before the last election. They can also block candidates of whom they disapprove. For the modern political party, the House of Commons has become more of an electoral college for the office of Prime Minister than a deliberative assembly. That must change.

Parliamentary government arose precisely because Parliament wanted to limit the power of the Crown. That is why the Commons insisted in 1713 that no demand for money would be met unless proposed in the House by a Minister of the Crown. Today's Standing Order No. 48 derives from that time, when it was one of the very few Standing Orders of the House—quite why it is No. 48 is perhaps a reflection of the Alice in Wonderland atmosphere of this place.

The House has two options. First, we can embrace the modest proposal from the Wright Committee for a House business committee. That will not challenge the ultimate authority of the majority to get its way, but it will increase transparency, allow some discourse and create more of a requirement for some explanation. A tactful and rational Government have no need to fear such a reform. If that fails, we will need to discuss something far more radical and start a process of visibly removing the Executive from Parliament altogether, although I have to tell my hon. Friend the Member for Stone (Mr. Cash), who is now addressing the Clerk, that I am still far from persuaded that that would be desirable or achievable. It is far preferable, before we turn to the radical option, that we consider the chance for moderate reform offered by the report. The proposed House business committee can begin to redress the imbalance of power in the House, which so corrodes good government and accountability. There can only be strong government if it rests on a strong and more independent Parliament.

8.7 pm

Mr. Andrew Tyrie (Chichester) (Con): I strongly support almost all of what I have just heard; it was a very interesting speech. Today is one of those rare occasions when I feel that we have all been let out. We are hearing some very unusual and thoughtful remarks. I particularly enjoyed the brilliant speech by the hon. Member for Cannock Chase (Dr. Wright). I am a bit nervous of his taking too much notice of my judgment, because I agree with absolutely every word, and agreeing with a speech so fully tends to cloud one's judgment. However, it really was an outstanding speech.

I am not going to go into great procedural detail in supporting the proposals. Instead, I will try to make a few general remarks about why we have reached the pass that we have and about the extent to which the reforms will make any significant contribution.

We are here less because of expenses than because of Iraq and Blair. Tony Blair's disdain for Parliament, and Parliament's failure to expose—even after the event—the full extent to which the country was misled when we went to war, have been decisive in confirming in the public mind the weakness and powerlessness of this institution. That weakness is deep-seated.

Mr. Jenkin: I did not comment on this particular issue, because I wanted to keep my remarks short, but it would be dreadful if we thought that we could insulate Members of Parliament from the pressures involved in such decisions. Two opponents of the Iraq war have made the same point, but I doubt whether the decision would have been different, given that even public opinion was in favour of going to war by the time the vote took place.

Mr. Tyrie: One of the points that I made was that we failed to get to the bottom of everything, even afterwards. We have just had a succession of inquiries from outsiders, who have made far better progress than Committees of this House, which is tragic. That is a reflection of the powerlessness of Parliament, rather than just the decision itself—I made both points. Parliament became Mr. Blair's poodle, at least until Iraq—things began to change after that—and our job now is to try to make sure that after the next election it does not become the poodle of my right hon. Friend the Member for Witney (Mr. Cameron) or the current Prime Minister. We must link that with the idea that our starting point must be to work out what Parliament is for, as the hon. Member for Cannock Chase said.

We need Parliament, in order to legitimise Government, to hold the Executive to account and, most importantly, to force the Executive to explain their actions. That is a requirement of any healthy democracy, and in order for Parliament to do that, some independence of mind must be shown on the Back Benches, along with some sense of responsibility when exercising their powers.

Mr. Cash: In that context, does my hon. Friend agree that when referring to Back Benchers, more often than not we should also refer to the word "backbone"?

Mr. Tyrie: My hon. Friend makes his own point in his own way.

Parliamentary democracy also requires there to be strong political parties, and there has been some discussion of parties today, but a Parliament that is worthy of the name can operate only if political debate is not entirely within, and controlled by, the parties, even if much of that discourse takes place behind closed doors. So we need both parties and independent-minded Back Benchers.

As has been pointed out, it is certainly the case that there have been a fair number of Back-Bench rebellions since Iraq. It is therefore not true that this has been a complete patsy Parliament, but the trouble for Parliament as an institution is that, on at least three counts, our task is getting more difficult all the time.

Martin Salter *rose—*

Mr. Tyrie: If the hon. Gentleman will forgive me, I shall not give way.

The first of those three counts is the growth of presidentialism, the second is the growth in the power of interest groups, and the third is the understandable enthusiasm in the modern media for encouraging those other two counts. The Committee's proposals will do something, if only a little, to act as a counterweight to all three of them, but before discussing how much the proposals will do this, I want to talk about those challenges in a little more detail.

On presidentialism, we have just heard an interesting speech suggesting a separation of powers. I do not think that this is practical politics, even if it is good theory. All the pressures on a Prime Minister will be for him to appeal beyond party and Parliament, and instead to appeal directly to the public. That will not change. In fact, I think that it will grow, and that eventually the problems to which my hon. Friend the Member for North Essex (Mr. Jenkin) alluded will resurface.

The public choice theorists were right about the tyranny of interest group politics. They said that policy could be disproportionately influenced by a relatively small number of voters, often, but not always, in the centre ground, and often influenced by vocal interest groups. That leads to a tyranny not of the majority, but of the minority. It is no coincidence that at present the agendas of all three major parties are very similar. That does not necessarily make them right, of course.

[Mr. Tyrie]

This kind of politics gave us the middle way of the early post-war years, the monetary policy that collapsed in the face of inflation, and a growth policy that folded in the face of excessive regulation and interest group power led by the unions, which culminated in the ungovernability of Britain.

There was a period in the '80s when we appeared to be able to roll back interest group power, but interest groups have returned and their influence is now considerable. Understandably, as we approach the election, parties are rushing to influence the swing voter in the political centre. We need only look at the speed with which all the parties now produce policies to satisfy the lobbies on health, aid and green issues, to name but three.

The fact is, however, that we have a massive economic crisis, and if fiscal policy is to be stabilised the toxic link between interest groups and Government spending decisions must be countered and counterbalanced. I think that independent-minded Back Benchers can help in this regard, but only if the parliamentary tools to do the job are available.

The third area I mentioned is the change in the balance of power from Parliament to the media. We live in a media age, and the power of the media to set the political agenda is greater than ever. We need only think of issues such as immigration, law and order, and prisons and sentencing policy. Very few people who have thought about prisons policy think we have got it right at present, but it is very difficult to get any change. A Justice Select Committee report set out what is wrong, but no party wants to be on the wrong side of a newspaper campaign on prison reform policy; it is just too risky, particularly in the run-up to an election.

In the face of this headwind of presidentialism, interest groups and the media, what can the Wright Committee's proposals accomplish in acting as a counterweight? We can apply three tests to see if they will be of some use. First, will Parliament shape the political discourse a little more than at present? To what extent can we wrench setting the agenda back from the media? Secondly, will these reforms temper the growing power of patronage in the hands of the Executive, and particularly of the leadership, in an age of increased professionalism in politics? We should be under no illusion that the more we turn working in this place into a full-time salaried job, the greater will be the efforts of our parties at the centre to control how we get selected. Thirdly, it is also inevitable that in a fully professional, salaried House, a higher proportion of those selected will want Front-Bench jobs, and the result of that will be greater dependence on party leaderships and Whips. My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) made that point, and my hon. Friend the Member for North Essex referred to it.

In respect of all three of those issues, the Wright Committee proposals can do something to help. There is much inexorable logic to the growth of presidentialism and of the power of the media and interest groups. So they will not do a lot, but they will do something. We have to be realistic. The Executive will not lie down like a lamb in response to a request from our Committee for more scrutiny powers. With the media being more powerful, the Prime Minister will see it as a prerequisite for hanging on to power to get reported by them and he will use his presidential tools to ensure that. Also, the Whips will, if possible, suppress any signs of independence; in the eyes of a Whip, "scrutiny" means "making trouble", and that will remain the case.

Reform will be difficult, therefore, and fundamental reform will be impossible; it would be blocked entirely. That is why these proposals score; they score because they are incremental—and one of them is both incremental and potentially extremely effective.

The election of Select Committee Chairmen by secret ballot of the whole House has the potential to alter the terms of trade between the Executive and the legislature, just as the '79 reforms have over the past 30 years led to Select Committees becoming serious institutions in this place. Through the election of Chairmen, the legislature will have spokesmen who are accountable to Parliament and who have been put here to do that job by us. The Select Committee corridor will gain, and the Committee of Chairmen, the Liaison Committee, will also be empowered, such as, perhaps, through demanding more frequent appearances by the Prime Minister—I certainly think they should do that. Over time, that could develop into there being more effective scrutiny of a presidential Prime Minister than we currently have.

All these changes in respect of Select Committees will, of course, come at the expense of the Chamber, but I think that that should be the case. We are one of the last Parliaments in the world which still tries to conduct so much scrutiny of a modern Executive in plenary session. The idea that in the late 20th or early 21st century an Executive can be held to account in this way is a fanciful illusion. In debates there is rarely much light to match the heat generated. Of course there are exceptions—I mentioned the debate on Iraq, and the debate on embryo research was another. However, it is important to remember that the first of those was made possible by the weakness of party discipline and the second by a free vote, such as we are having tonight—I began by saying that somehow we had been let out.

The business committee proposals can and should be judged not so much on whether they can revive the day-to-day scrutiny of the Executive in the Chamber, but on whether, on the really big issues, a reformed machinery can force the Executive to provide sufficient time for major set-piece debates on substantive issues. I began by discussing the Blair and Iraq example, where scrutiny could have been better and that might have led to a different result—that applies in respect of post-event scrutiny too.

I wonder whether the time has now arrived for us to have a set-piece debate on a substantive motion on Afghanistan—if these proposals were already in place, we might have got one. When a Select Committee Chairman is alert, he or she can do as much as anybody to ensure that this place is empowered again, and that is what these proposals would do. They are only a small step in the right direction, but it is one that we should take, and soon.

8.21 pm

Jo Swinson (East Dunbartonshire) (LD): I, too, wish to begin by congratulating the hon. Member for Cannock Chase (Dr. Wright) and all the members of his Committee, who put so much work into these proposals. However, I share the disappointment expressed by many Members about the way in which this process has been dealt with since the publication of the Committee's report.

The report made it clear that the Committee would like the proposals to be voted on by the House within two months. It is now more than three months since the Committee's proposals were published and it would be a fair characterisation—it would perhaps even be charitable—to say that the Government have dragged their heels on this issue. They announced the date for this debate only after being questioned week in, week out in business questions. In fact, it has taken them longer to bring forward these proposals for debate than it took the Committee to form, call for evidence, consider the evidence, meet, debate and come up with all the proposals.

The Government's lack of urgency has shown that this important subject of reform has not been given the level of priority within government that I would have liked. There seems almost to have been confusion about the different parts of the motions to be put forward and how that could be done, given that page 94 of the report contained a sample motion that was drafted and ready to be put before the House. That would have allowed us to discuss it, rather than to have the Government decide, after asking the Committee to investigate an issue and bring forward recommendations, which ones to cherry-pick and put to the House.

The proposals in the report are somewhat timid. I agree with those who say that they are a step in the right direction, but I would describe them as a baby-step. Given the difficulty that we have had even in getting to this stage of the debate, it has been like trying to take a baby-step through treacle. I appreciate that the Committee was constrained in its terms of reference. We heard an interesting exchange earlier, when a lot of interest was expressed by Members in different parts of the House for taking forward some of the ideas that were not able to be developed in full within the confines of the Committee. Too much was left to later decision or future review, whereas we needed to have strong and robust recommendations, be they on the issue of September sittings, Public Bill Committees or public engagement, to which I shall return.

It is worth asking ourselves why reform is so necessary and vital. We need to remember that this is happening in the context of the reputation of Parliament and, indeed, of our democracy having been dragged through the mire in recent months. Cleaning up our discredited expenses system is a vital part of the solution, but it is only part of the solution.

In May, I asked hundreds of my constituents who are signed up to an online consultation what they thought was necessary to restore faith in politics. I received dozens of answers. Alongside people saying that we needed transparency, an end to personal profit through the expenses system, proper sanctions when people did things that were wrong and a new expenses system, much wider issues were raised in the consultation. Even when the expenses scandal was at its height, my constituents were raising issues such as electoral reform and how to ensure that people's votes count no matter where their constituency, rather than having them count only in some marginal constituencies. Even reform of the House of Commons was a theme that emerged in that consultation exercise; it was common for people to say to me that they thought that the power of the Whips should be reduced compared with the power and influence of individual, independent-minded MPs.

Some of the reforms, such as the election of Select Committees, will help to rebalance that power, because they will reduce the power of patronage of the Whips Offices. Scheduling business through a committee that is representative of Parliament, rather than just Government, will enable individual MPs to hold the Government to account better. My name stands alongside those of 120 other hon. Members in support of amendment (a) to motion 9, which is in favour of the proposal for a House business committee, even though that cannot be voted on tonight. It is important to remember that this is how Parliaments across the world work, and that includes the Scottish Parliament; the sky does not fall in if a committee of people drawn from across the parties decides what Parliament will discuss. This is, thus, a very important reform.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I am looking at an article by Dr. Meg Russell which says that we should not be too romantic about those notions because those cross-party business committees tend to be dominated by Whips. I believe that that is the case in Scotland, as in many other places. As we take this issue forward we must be careful about making comparisons with other places.

Jo Swinson: I agree that what has been proposed is not a perfect solution, but the Minister will know that the report recommended that Back Benchers should also be represented on the committee—that is a very important part of representation. The issue of whether newer MPs would be represented has been raised. If a business committee is properly elected and if there is a large proportion of new Members in the House after the next election, it is highly likely and desirable that new Members would also be elected to it. This is about who sets the agenda. I can understand why it is very convenient for the Government if they do so, but there is no good argument for why they should do so, particularly in our system where Governments are elected without receiving a majority of the popular vote. Parliament, not the Government, needs to control what we debate. The proviso is that we understand that a Government who are elected on a manifesto should have the time to put their business to the House.

One of the problematic things is that, because of the way in which scheduling works, controversial parts of Bills are often not discussed properly in this House. If Parliament, rather than the Government, were to set the agenda, the issues and the parts of Bills that Parliament was most concerned about would be given the most time. As MPs, we need to be able to influence the agenda in order to represent our constituents. I think that this report should be just a stepping stone in the right direction, because I want the public to be able to influence the agenda of this House as well as MPs.

On the issue of business and scheduling, it has been a source of huge frustration to me that there is so little advance notice of business, when we all know that the Government decide and plan in advance on which date the Second Reading of one Bill will be and on which date another Bill will be discussed on Report. It is used as a tool of control and the information is not shared with the rest of the House. That is a ridiculous way to do business. I represent a constituency that is a five or six-hour commute from the House and the business on

[Jo Swinson]

a particular Monday makes a big difference to me. If I want to be here for its start at half-past three, that affects whether I can hold a surgery on a Monday morning. For this matter to be held out as a case of, "We can't tell people, because it is not decided," when it has been decided is ridiculous. Businesses would not operate in that way, with nothing planned more than 10 days in advance, and nor would other professions. We should certainly operate in a much more organised way.

Natascha Engel: In what way will a House business committee stop that happening? My understanding is that we will not have business scheduled months in advance. It might be that things are far worse and that business is planned less far ahead.

Jo Swinson: If we remove the power from Government alone, we will open the door to that debate. I agree that such changes will not necessarily follow, but I was raising the point as I think that it is ridiculous how we plan business. I hope and have more confidence that, if I have colleagues on a House business committee, they might be more likely to listen to my views—I will certainly argue for those views. It will also be in everyone's interest if not only one party knows what business will be discussed on a particular day.

Let me turn to public involvement and engagement, which is what I particularly want to mention. The report is good on warm words, but light on specific actions. At least it opens the door to greater public engagement in future and suggests that it should be reviewed and reconsidered in the new Parliament. I think that this was a missed opportunity, and so I have sympathy with the comments made by the hon. Member for North-East Derbyshire (Natascha Engel) about the fact that the Committee did not consider in full all the issues that it could have.

On public engagement, there is much that needs to be done, because this place is so alien to most people who turn on BBC Parliament—if they do—and watch what we are doing in this Chamber as well as the way in which we do it. There are many opportunities, particularly with new technology, to reach out and to engage the public better, yet this House seems to be good at missing those opportunities. My hon. Friend the Member for West Aberdeenshire and Kincardine (Sir Robert Smith) mentioned the Procedure Committee's report on improving the petitions system. The Committee produced an excellent report, and what happened to it? Nothing. We have had the report, which said how we could do it, but we are still saying, "Oh, we should consider this at a future date." It is not rocket science—we could just get on and do it.

Two years ago, I started campaigning to allow clips from the filming of Parliament to be shown on YouTube so that people could share them with their friends or so that members of a pressure group that might be interested in a particular exchange could see them. It is getting there, but progress is so slow. Now we are allowed to put clips on YouTube, but there are ridiculous restrictions—we cannot share them, for example, and comments need to be moderated—that are wholly inappropriate when it comes to understanding how the internet works and how people engage with it. There has been an excellent campaign called "Free our Bills", which seeks to ensure that legislation online is tagged to make it easy for the public to follow different stages and to comment on what is happening, but the cogs move so slowly in this place when we try to get change.

I have sympathy with many of the points raised by the hon. Member for Gloucester (Mr. Dhanda), which he also raised in his speech during the hustings for the speakership, about allowing our constituents to vote directly to express the things that they would like us to discuss—whether they do so through online or telephone polls or through encouraging people to sign early-day motions that, once they have received a certain number of signatures, will require a debate to be held. There is no reason why we cannot consider engaging the public in such ways. It is a real shame that we do not yet have those proposals on the table to vote for today, or for next Thursday when the many votes might happen.

I wholeheartedly hope that this report is not a conclusion to the process of reform but the beginning of it. We need radically to increase public engagement in this place. The hon. Member for Reading, West (Martin Salter) talked about the process of reform. Let me say to hon. Members that people outside this place look in and wonder what planet we are on with our archaic rules, procedural wrangling and bizarre traditions. The measures outlined in this report represent modest progress, but progress none the less.

It is frustrating how even these mild reforms require such energetic campaigning to get votes on the relevant measures and to get 130 signatures so that we can have a debate on a particular motion, but I am glad that we are doing that. I truly believe that this House will be able to regain credibility and legitimacy in the eyes of the public only when it wholeheartedly embraces reform, but that does not seem to be the case currently. Today, we have heard impassioned voices from both sides of the House in favour of reform. We need to back this report as the first step to that reform, and to work together in the coming months and years to continue the process of creating a House of Commons that is fit for the 21st century.

8.34 pm

Mr. David Drew (Stroud) (Lab/Co-op): I had not intended to speak in this debate, just as I had not intended to be a member of the Wright Committee, but my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) and the Minister for Borders and Immigration, my hon. Friend the Member for Oldham, East and Saddleworth (Mr. Woolas), persuaded me that the Committee needed my thought processes.

I will admit that I did not take a leading part in proceedings, but I would like to think that I have wholeheartedly backed my hon. Friend the Member for Cannock Chase (Dr. Wright) as he has taken the Committee through some quite treacherous waters. What I have done, however, as my hon. Friend knows, is to try to engage with my constituents in parallel with all this. It was pleasing to hear what the hon. Member for East Dunbartonshire (Jo Swinson) said in that regard, but I went one step further. I contacted every household in my constituency, which involved sending out something like 46,000 survey forms. I must say that I used the communications allowance for that, but that is absolutely what it should be used for. *[Interruption.]* We just asked

them to say what they thought about a range of issues such as electoral reform, reform of the House of Lords, recall of parliamentarians and spending limits. We had 7,000 replies, which is pleasing, especially considering that they were in stamped, addressed envelopes and that people had to make the effort to respond.

We accompanied the survey with a series of meetings. I am eternally grateful to my hon. Friend the Member for Cannock Chase because he came along with Peter Hennessy, who is a professor at Queen Mary college, and Peter Facey of Unlock Democracy to our final meeting at which there were about 150 people who wanted to discuss all manner of issues to do with constitutional reform. I do not go along with the view that it is entirely the chattering classes who are interested in such issues. I accept that the economy and housing, health and education will always be more important when it comes to people's voting preferences and opinions, but constitutional issues matter to many people. They matter not a little when people see this place not representing them and when they see the mess that we have got ourselves into. I feel wiser from having taken part in those proceedings, and I certainly feel more engaged with my constituents as a result of how we were able to proceed on some of the relevant issues, and I intend to continue doing that.

As my hon. Friend the Member for Cannock Chase knows, I was also elected to the Back-Bench committee of the parliamentary Labour party, although I did not manage to survive on that for as long as I survived on the Wright Committee. Perhaps people sussed out that my stance on renationalising the railways, keeping the Post Office public and withdrawing from Afghanistan was not quite what the rest of the Labour party, in a parliamentary sense, was prepared to go for. However, I am pleased that I was part of the majority opinion on the Wright Committee that wanted reform and that we did things consensually. Of course, we had our disagreements—there was a minority report, which was from a minority—but we have made progress.

Given my nature, I take quite a narrow approach to what I want to do; I have always found that it is better to know what we want to do and to focus on it. I have a very simple request: I have believed ever since becoming a Member that it is absolutely wrong for the Whips to decide who serves on Select Committees and, more particularly, who does not serve on them. It is part of the important role of parliamentarians that, if they want to take part in a Select Committee, provided that there are enough places, they should have the right to do so. First, preventing them from doing so does not allow them to be parliamentarians in the true sense of the word, because they cannot engage in that aspect of scrutinising the Executive. Secondly, I have never understood where the Whips were coming from because that is perverse psychology. If those are the most awkward people in Parliament, the best place to put them is on a Select Committee, which uses their time and expertise far better than having them run around the House, tabling all sorts of motions that cause embarrassment to the Government. I therefore tried to persuade the Whips on numerous occasions that those are just the sort of people whom they want to serve on Select Committees.

The good thing is not just that we will elect Chairmen through the process of Parliament, but that we will, through our party groups, have an open process of electing people on to Select Committees. Of course, not everyone can necessarily get on to the Committee that they want. If they do not curry favour with their colleagues, they will not necessarily get on to a Select Committee. However, they at least have the right to put themselves forward, and it is up to their party as a whole, rather than a small group of individuals, to decide whether they will serve on a Select Committee.

Ms Abbott: Will my hon. Friend give way?

Mr. Drew: I give way to my hon. Friend and nominee.

Ms Abbott: Given that Select Committees were set up as, and technically remain, Committees of the House, does my hon. Friend agree that it is a complete abuse that party Whips should decide who serves on them and who does not?

Mr. Drew: I agree with that; unfortunately, my friends in the Whips Office did not seem to do so. That is why I did not make much progress in my time on parliamentary Labour party Back-Bench committee. Nevertheless, we have moved on, and I hope that we can now see the benefit of doing so.

I shall move on quickly, as a number of other hon. Members want to speak. I welcome the business committee. I am not quite sure how it will cohabit with the way in which the usual channels will, I suppose, continue to operate; but, if nothing else, we can be much more transparent in how we plan our business and in how we know what is coming up and why. I will point the finger at the Opposition as well as the Government. There is nothing more galling when a debate is coming up next week than preparing a wonderful speech—just as I have not on this occasion—and finding at a moment's notice that that debate has been pulled and something else put in its place. There ought to be fairness, and Back Benchers ought to have some security in the knowledge that the debates that they are expecting will take place. It is not beyond the realm of personkind to have topicality, without wrecking one's ability to programme one's life and willingness to engage in the House.

The hon. Member for East Dunbartonshire commented on how petitions need to be organised much more meaningfully. We have made a small amount of progress. We need to ensure that petitions are properly recognised in the House and to allow hon. Members to debate the issues properly, so that our constituents can feel that they have some traction on us.

I want to finish by referring to my hon. Friend the Member for Sunderland, South (Mr. Mullin), who is not in his place, but I will embarrass him by saying that the art of the possible is to keep on raising the same issue so many times that people eventually get so sick of hearing it that they give in and take notice. He is absolutely right about September days. It is right that the House should sit then. In the good old way that we referred to Baker days when I was teaching in the 1980s and we got formal in-service days for the first time, we should call them Mullin days, so that we can recall his dogged persistence. However, I would go even further: I would make those days in September parliamentary days, with no Government business, other than when the Government are being called to account. We could

[Mr. Drew]

have a series of debates based on topical issues that perhaps were not the ones that we were able to discuss before the recess.

More particularly, given the way in which our timetable works, I should like some opportunity for private Members' Bills to be carried through, rather than their being culled because we do not have enough time. That would be an important standpoint for Parliament. The Government would have to respond to Parliament, rather than Parliament responding to the Government. That is an important reason why that couple of weeks should be used and should be different from the usual business. They come round only once a year, but that would be an important way in which Parliament would assert itself, or—dare I say?—reassert itself.

I hope that those are the sort of things that we can take forward. As everyone has said, this is not the end of the process. Indeed, we hope that it is the start of the process, and we could move forward with many other things if only parliamentarians had the independence of mind, the will power and the sheer gall to ensure that, from time to time, the Executive respond to us, rather than our always having to respond to the Executive.

Mr. Speaker: Order. On my reckoning, six hon. Members are still seeking to catch my eye, and the Front-Bench winding-up speeches will begin at or very close to 9.40 pm. Hon. Members are capable of doing the arithmetic for themselves, but if a self-denying ordinance can be observed and each speech is kept to 10 minutes or preferably less, it should be possible to accommodate everybody.

8.45 pm

Mr. Charles Walker (Broxbourne) (Con): Thank you, Mr. Speaker, for calling me to speak in this hugely important debate.

May I say, as a member of the Public Administration Committee, what a marvellous Chairman we have in the hon. Member for Cannock Chase (Dr. Wright)? He has brought his brilliance on the Public Administration Committee to bear on the Wright Committee report. Yes, it is a small step, but it is a fundamentally important step, and a very brave step that he has taken.

During this debate we have asked ourselves what is the role of a Member of Parliament. Of course, a Member of Parliament must be here to scrutinise legislation. We have a duty and obligation to ensure that our constituents are governed by good legislation, not just by any legislation. We have failed at times to ensure that. We must also hold the Government to account, regardless of whether or not they are drawn from our own party. Beyond that, we must be courageous and true to ourselves. We must be representatives of the people who elect us, not delegates.

It is interesting that over the past 30 years, the more we have done for our constituents and the more visible we are in our constituencies, the more people despise us. Gone are the days, 50 years ago, when a Member of Parliament would make a twice-yearly regal visit to the constituency to meet the mayor or go to a fête. We are now mostly based in our constituency for more than half of our time, and many of us make our primary home in our constituency. I am very concerned when I hear hon. Members on both sides of the Chamber talking about direct democracy. Have we lost faith in our own ability to be the effective representatives of those who elected us?

We have representative democracy in this country, and by and large it has served us well for 350 years. If we get it right, it will serve us well for the next 350 years, but radical changes need to be made. The current constitutional settlement is not working. We know and the public know that it is not working. If any good has come out of the expenses scandal, crisis, nightmare of the past nine months, it is that at last we will have a healthy distance between us as Back-Bench Members of Parliament and the Executive.

Our interests are not the interests of the Executive of this country. We have been led up a dead-end road over the past 30 years. We willingly followed and we should not be forgiven for that, but the Executive were prime movers in getting us into the position that we found ourselves in. We should not forget that.

We have a presidential style of government in this country. Do we have government by Cabinet any more? Of course not. We know that. Secretaries of State in the current Government would go to No. 10 to talk to the Prime Minister about policy, and he would turn to them and say, "Funnily enough, my special adviser disagrees with you on that. We're going to do something different." So we do not have government by Cabinet. We do not have a Prime Minister, a first Minister of the Cabinet: we have presidential government, and it is driven by 24-hour media.

We in this place know that only three people in any political party matter. They are the ones who make the weather. In the Government, it is the Chancellor, the Prime Minister and Lord Mandelson. In my party there are many people better qualified than I who will make that judgment, but I am convinced that only three people in each party make the weather.

Mr. Pelling: Is it possible that in the Conservative party one of those three is the former editor of the *News of the World*?

Mr. Walker: The hon. Gentleman is being ungenerous. There are only three parliamentarians who make the weather in our party, but that is the nature of 24-hour media, which is driving a presidential style of government. I am afraid the truth is that on most occasions we are just backdrop to the big issues of the day.

I have some time for the Prime Minister. I do not think that he is a bad man; he is mistaken in most things, but he is an honourable fellow. However, he came to the House and, with great pride, said, "We bailed out the banks without taking it to the Floor of this House." The decision on the greatest expenditure of public money in living history, or in history, was made without one minute of scrutiny in this place. That really is disgraceful, and it must not be allowed to continue. Our constituents are furious that we allowed it to happen.

Ms Abbott: Does not the complete absence of debate about the issue in this House reflect poorly on the British system and contrast with the extensive debate—whether or not we agree with what people have said—about the very same issue in the United States?

Mr. Walker: The hon. Lady makes a valuable point. We in this place sometimes forget why we are sent here—to represent those who elect us. Sometimes we forget that and spend too much time propping up the Executive of the day or making excuses for them. Let us be in no doubt that the expenses scandal of the past nine months has perversely played into the hands of the Executive, because they like nothing more than a weak and humiliated Parliament, and my word are we not weak and humiliated, bereft of any self-confidence?

I shall conclude with these thoughts, because I have had seven minutes. The public do not want their Members of Parliament to be their best friends or to act like minor celebrities, gurning at the camera week in, week out. We have tried that model for 20 years, and it does not work. What our constituents want more than anything is legislators whom they respect and trust—legislators whom they send to this place, and who they know will stand up for their interests. What is so sad about this place, however, is that so many good people come here with the best of intentions and then the poison of patronage takes over, as my hon. Friend the Member for North Essex (Mr. Jenkin) said. More than one in two Members hold Front-Bench positions, and when the press say, "We have so many Members of Parliament—646. Why do we need them?", they forget that we draw the Executive from Parliament.

Unlike my hon. Friend the Member for Stone (Mr. Cash), for whom I have a huge amount of time, I really am in favour of the separation of powers. I have had enough. I did not come here to make up the numbers, and I am afraid that I did not come here to be the lackey of the Whips. I came here to represent the people of Broxbourne. I am and always will be a Conservative, but the idea that one has to agree with every policy from one's Front Benchers, or with every policy in the manifesto, is total and utter nonsense.

Martin Salter: The hon. Gentleman is clearly not seeking preferment under a future Government. Does he not agree that, far from bellyaching and whining about the Whips, we parliamentarians must collectively get off our knees and use the powers that we already have? We can call Ministers and even shadow spokespeople to account if we act collectively and have the courage to organise in the Lobbies.

Mr. Walker: The hon. Gentleman makes a great point. We give the Whips their powers. If we chose to ignore them on occasions, they would have no power. If we chose to put a parliamentary career ahead of a ministerial career, they would have less power.

"Back Bencher" is now used as a term of derision by the public, by the press, and at times, shamefully, by our own Front Benchers. I am proud to be a Member of Parliament. Funnily enough, the leaders of the political parties are simply Members of Parliament. They should, on occasion, remember and recognise that, because I feel that the time is fast coming when we shall remind them of it.

Sir Nicholas Winterton: My hon. Friend is a wonderful Member of Parliament and an example to new Members coming into this House. Does he agree with the hon. Member for Reading, West (Martin Salter) that Back Benchers united can always defeat the Executive, and that that is what we should do?

Mr. Walker: I say this to my hon. Friend: we're mad as hell and we're not going to take it any more!

We are told by the press that the public want strong leadership and that that is what they deserve. In 1974, turnout in the general election was more than 80 per cent.; in 2005, it was just over 60 per cent. That is the answer that the public give to strong government. It has got to end, and it has got to end soon.

8.56 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am grateful for the opportunity to speak in this important debate. Like everyone else who has spoken, one has to bow to the tenacity and insight of my hon. Friend the Member for Cannock Chase (Dr. Wright), who has steered these proposals thus far. We can see consummation so close that we can almost touch it, and we can only hope that next week things will go as we all wish.

Several hon. Members have spoken about the expenses scandal as if that is the origin of the decline in the esteem in which the House is held. In fact, the decline in esteem for Members of Parliament is a fairly long-term thing. I am very pro-European; none the less, the decline has come about because of power flowing to European institutions. It has come about because of power flowing to quangos. I came to this House in 1987, and questions that one would once have asked of a Minister one now has to write to a quango about. It has come about because of the decline in deference. Above all, perhaps, it has come about because of the spiralling power of patronage, which has undermined the will of the House to stand up for itself and undermined the role of the Back-Bench MP. The power of patronage has increased and is increasing.

I do not agree with colleagues who have said that these proposals are sterile, meaningless and technical; I think they are probably among the most important things we will have the opportunity to vote for during this Parliament. I say that for a number of reasons. First, it is easy for hon. Members—beaten and battered by the media, dealing with a deluge of letters from constituents, knocking on doors in the run-up to what is going to be, on the basis of what we have seen so far, quite a bitter and unpleasant election—to forget that the public are in fact very interested in politics. I occasionally appear on the broadcast media, and I want to assure hon. Members that in my experience the public—not just party members and young people, but people of all ages and all colours—are interested in and want to talk about politics; they have views on issues such as Europe, what we should do about the banks, and so on. However, they are not so interested in Parliament. Our task is to make Parliament relevant to the public's concerns, because they do not see it as such. In particular, they do not feel that politicians say what they think.

I want to say to hon. Members who may not have been here pre-1997 and in the '80s, as I was, that Select Committees are wonderful, and all their Chairs and members, without exception, are wonderful, but the role of Select Committees and the seriousness with which they are taken is not what it was.

I came into Parliament in an era when we took seriously the notion of Select Committees being Committees of the House. That is not to say that parties did not seek

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to interfere. I served on the Treasury Committee throughout most of the '90s, with some reasonable success, in the teeth of the opposition of the party leader of the time. The Whips Office, which in those days saw its role as balancing the factions of the party, saw it as a triumph to put on an important Committee someone who in its view represented a particular current in the party. Now, lip service is no longer given to Select Committees being Committees of the House.

In that era, it was accepted that Select Committees could elect their own Chairmen. I served on a Committee in the 1990s for which the Whips were suggesting one Chairman, but we all voted for another. We have gone from that position, in which it was accepted that Select Committees had to have that right, and it was accepted at least on paper that they were Committees of the House, to a position that I believe is outrageous, although no one else in my party seems to think so. Chief Whips appear before the parliamentary Labour party and read out who is going to chair Committees. That seems extraordinary and an abuse of the technical position of what Select Committees are about.

Wonderful though Select Committees are, we have never fully explored their powers and their possibility to rejuvenate politics and make it relevant. Too much turns on their Chairmen, and, as was said earlier, Whips have weakened them by not looking for the most experienced, able or knowledgeable people but filling them with people they believe will cause no trouble. I speak to Select Committee Chairman after Select Committee Chairman who talks about the difficulty of simply getting a quorum, when there are many people on the Back Benches who would serve with distinction. Select Committees have been weakened, and the proposals before us would strengthen them and strengthen the House.

I am giving away my age, but I started as an MP in an era when timetabling was the exception, not the rule, and Front Benchers had to apologise if they were going to timetable a Bill. Now nearly everything is timetabled. Hon. Members will say, "We have to timetable or we wouldn't get through the business." I entirely accept that we have to have Whips, order and procedure, but am I the only one who has noticed in recent months how important legislation is savagely timetabled because Front Benchers do not want discussion on it, and then we end up spending days on matters of no importance whatever? That is timetabling taken beyond what is rational. It is one thing to timetable to get business through, but when timetabling has reached the point at which we cannot debate important things and rely on the House of Lords to pick up on poor legislation, yet we come here day after day to debate matters that do not need to be debated, it has gone out of control. The proposals that I hope we will vote for in a very few days will enable timetabling to go forward on a rational basis.

Everyone accepts that the Government must get their business and that Back Benchers must vote for matters that were in the manifesto, but the power to timetable at will has gone completely to the head of the usual channels. We are getting an arrangement of business of the House that makes no sense. Worse, legislation keeps going through that the Lords are not able to clean up, and we have to come back to the same subject again and again rather than put through sound legislation in the first place.

Hon. Friends have talked in most baleful terms about the dangers of allowing Back-Bench MPs to vote for Chairs and members of Select Committees. "What will come," they ask histrionically, "of allowing Back Benchers to vote without the Whips telling them what to do?" I will tell them what will come of allowing Back Benchers to use their judgment without being whipped. Members may disagree about the choice of issues that I will refer to, but some of the most important moments in this House, such as the abolition of the death penalty and introducing the right to an abortion for women, were brought about by Members voting unwhipped, using their judgment. If any Member of this House has no confidence in Members of Parliament being allowed to vote and use their judgment, what they are doing as MPs? We are elected, but if we are not respected enough, even by our colleagues, to use our judgment on matters such as the composition of Select Committees, why would we become MPs?

I am a great believer in direct democracy and I have a website of which I am very proud. Perhaps my constituency differs from others, but with direct democracy, one must be careful that one does not empower a small group of technologically literate people at the expense of people who are, for example, not educated, too old or simply uninterested. I am all for direct democracy, but not if it produces an imbalance in the forces in a constituency.

I am very glad that the Government are coming forward on this matter and that they will help us to make these reforms—I will not go so far as to say that they have seen the light. Mystifying as it may be to Members of Parliament who know only the current regime, and annoying as allowing Back Benchers to vote and use their judgment may be to Front Benchers—and as traumatic as it is for the Whips Office—this House is at its best when Members of Parliament feel free to say what they wish and when they can use their judgment. Only if the public are allowed to see more of the House of Commons at its best and what MPs can be if they are not trammelled by the Executive will we restore confidence in this House of Commons, this Parliament and the politics of this country.

Several hon. Members *rose—*

Mr. Speaker: Order. There are no more than 33 minutes remaining and four hon. Members are seeking to catch my eye. Members can do the arithmetic for themselves. If each takes no more than eight minutes, all will get in. I hope that that happens.

9.7 pm

David Howarth (Cambridge) (LD): The one thing that is bothering me about this debate is this: where are the opponents? I pay tribute to the hon. Member for Cannock Chase (Dr. Wright) for his marvellous chairmanship of the Committee and to its staff for getting us through the process of the report, but as a member of the Committee, I know that there are large numbers in the House who are against our proposals, yet they have not spoken tonight.

Given that I have only eight minutes, I want to talk about one aspect of the report—the reform of Standing Order No. 14 and the House business committee—and to try to reassure people who are not here tonight but who might be listening to those voices of reaction that the proposal is not that radical. In fact, I am amazed by its moderation.

It is said by opponents of our proposals that Standing Order No. 14, which gives the Government complete control over the House's timetable, is necessary to get the Government's programme through, but that is plainly untrue, given what happens in other countries. Standing Order No. 14 is completely over the top given how other European legislatures work. The only legislature that is subject to anywhere near the same degree of Executive control as ours is the Dáil, presumably because of the historical connection. However, in the Dáil, private Members' Bills cannot be talked out because they can be carried over to the next slot, and Opposition parties can introduce legislation on which they can require the House to vote. If the Government do not like it, they must vote it down.

It is important to realise that the Committee is suggesting not the radical Dutch system, in which the House decides almost from minute to minute what it is going to talk about, but a very moderate system. We are suggesting that a Deputy Speaker, the Chairman of Ways and Means, acts as a mediator between the Government, the parties and the Back-Bench committee. The Deputy Speaker then brings to the House the motion concerning what it will discuss in the following week.

That would give the Government two enormous safeguards. First, it would be possible for a Standing Order to require the Deputy Speaker to ensure that the Government had time to get their Bills through the House, and had an out date. We can build that into the system.

Secondly, the Deputy Speaker would put to the House a motion that would be amendable. If the Government—with their majority—did not like what was proposed, they could, in the final resort, propose an amendment in order to get their way, but they would have to do it openly and transparently, and that would itself constitute the main change. The Government would no longer fill the week with pointless debates with no vote in order to avoid a proper debate on the Report stage of a Bill, because if they did so they would have to do it openly, on the Floor of the House. For the same reason, they would be less likely even to want to try to restrict the number of days for debate on Report or in Committee of the whole House. The House would therefore be more likely to end up talking about, and voting on, matters of public concern—and that is what would make us more relevant.

I suppose that, in the end, it is a matter of principle. Ultimately, the House should decide its own agenda. The present system provides for the Government as the Government, not as the majority, to decide our agenda, and that is different from the majority deciding it.

I feel that those who think we are moving away from our present system of a fusion of powers towards a separation of powers—and I know that some Members would like us to move in that direction—do not understand what we are proposing. What we are proposing would give the majority more power. The hon. Member for North-East Derbyshire (Natascha Engel) is worried about the transfer of power that our proposal involves, but what, in fact, is that transfer of power? It is not even a transfer of power between the Executive and the legislature, but a transfer of power between the Government Front Bench and the Government Back Bench. The single group of people who will be most empowered by what we are proposing are Government Back Benchers. It seems to me, from where I sit, that they are the most disempowered group of all in this Parliament, but they are the people who would benefit most from our proposal, and they would be able to do their job better.

There are opponents who claim that we are somehow interfering with the "manifesto mandate" theory. I am not a great fan of that theory, because I do not see how a mandate can result from a manifesto that very few people read, on 35 per cent. of the vote. However, even those who do believe in it must ask themselves the big question: who will be given the opportunity to interpret that mandate? Will it be simply the Front Bench of the governing party, or will it be the whole of the parliamentary section of the party that won the election?

That is the question that we are posing in our proposals for reform, but at this point we are proposing a different answer. Our answer is that we are transferring power, but we are transferring it from the Government Front Bench to the Government Back Bench.

Lynne Jones (Birmingham, Selly Oak) (Lab): Will the hon. Gentleman give way?

David Howarth: I will give way briefly. I have not much time.

Lynne Jones: The Government may have a manifesto mandate, but surely the whole point of legislative scrutiny should be to establish whether the legislation that they propose will be effective in fulfilling that mandate.

David Howarth: Obviously that is what Government Back Benchers should be doing, but they also have the right to judge whether their interpretation of the mandate is being put into effect.

Some opponents have given the impression that the present system is one of vast antiquity, and that our arrangements would fall apart without it. That is simply not the case. The present system came into being in 1963, without debate, following a report by a Select Committee on Procedure which simply said vaguely that the old system was obsolete.

What happened, historically, is quite interesting. The arrangement allowing the Government to take all the time of the House was not introduced until 1915 under Asquith, who promised that he would not use it to enact any party or partisan legislation. Churchill repeated that promise in the 1940s, when it was used again. Only after the war—in some very bad-tempered debates under the 1945 Government—was the arrangement extended to peacetime. But even then it was only Session by Session. It became a Standing Order in 1963 because people had forgotten how to oppose. In an era of consensus and bipolar politics, with very low rates of Back-Bench rebellion, Parliament forgot its job. But now, in a different era with multi-party politics and the end of consensus politics, it is still the basis of our politics. In a situation of fragmentation, the idea that

[David Howarth]

the Government should dominate the agenda of the House entirely is an idea whose time has gone. If we are to revive our politics, this is where we must start.

9.15 pm

Mr. Dai Davies (Blaenau Gwent) (Ind): I shall not take more than five minutes, as my hon. Friend the independent Member for Croydon, Central (Mr. Pelling) wants to speak, as does the hon. Member for Stone (Mr. Cash).

Several quotations from newspapers and other sources have been put to the House tonight, but the two quotations that I would like to use are from a constituent of mine. He said to me some weeks ago, "If politics was a business, you'd close it down." Given the comments tonight about the inefficiencies of the product of politics, that is probably true. He also said to me, when I explained to him what we do in the House and outside in the community, "Yeah, but you're not digging coal, are you?" That is probably true too. In years gone by, digging coal and other occupations were real jobs, and ours is not seen as a real job—although the hours that we put in are not recognised, especially by the press.

I came to this place in 2006 in a by-election—I think that I am the most junior Member in the Chamber this evening. From that day to this, I must have given evidence dozens of times before the Modernisation Committee, the House of Commons Commission, the Senior Salaries Review Body, the Committee on Standards in Public Life and others. I do not know how we keep up with them all. But if someone asked me what we had actually achieved, I would find it difficult to put into words how great the change has been in those four years.

I also submitted written evidence to the Wright Committee, as it has become known. It has done a fantastic job and a tremendous amount of work. However, I take the point made by the hon. Member for North-East Derbyshire (Natascha Engel) that we are rebuilding the House from the top down, not from the bottom up. We should have started at the foundations, but we are now chasing our tails in a knee-jerk reaction.

What worried me most about the evidence in the report was the fact that Committees have not had a quorum. Other Members who, like me, may not be aligned to a party, would have taken part in those Committees and brought their experience and knowledge to them. The hon. Member for Wyre Forest (Dr. Taylor) is on the Health Committee and gives great service to it. Others are yet to have that opportunity because Committees have been a closed shop, decided by the party structure. The opportunity will be provided with the new Parliament and the likelihood of some 200 new Members, and we need to get this right. If they are to play their part, they must be allowed to do so, without barriers being put in their way.

The other aspect of the evidence that worried me was that in times gone by Select Committees have not been allowed to put their reports before the House. In my evidence to the Wright Committee, I suggested that Members should be allowed to participate in Select Committees not as members, but through giving evidence. We should encourage participation by all. The proposal is to reduce the Select Committees to 11 members, so the opportunity to sit on them will be tight to say the least. But Members could give written or oral evidence both to Select Committees and Public Bill Committees. It is very important that everyone has an opportunity to play their part.

We have heard about consultation with the public—I encourage as much of that as I can in my constituency—but the worst thing that we can do is consult and ignore. If we are going to encourage the public to take part in debate, we must listen to them, and then we wonder why we come here. We come here because our constituents tell us their concerns. We come here to express those concerns and, with a petition, all that adds weight to what we say. I am sure that no Member comes here without consulting their constituents, whether in the surgery or, in the modern era, through e-mails, of which we get hundreds. We are the voice of the community—that is why we come here—and it is extremely important that we express those views and that we are allowed to do so.

The expenses crisis was just the end result of the many things that built up to it, but there is one thing in the political structure that worries me. We have heard tonight about parties and party Whips—I can talk about this because I stand outside, although I was a member of a political party for some 25 years—but the party structure has changed so much that it has moved completely away from the grass roots. What are conferences now, other than rallying calls? Policy was made by the grass roots and passed up to the top. We are now talking top-down politics. We are driving people out of the political process, instead of encouraging them in.

We have national elections—the elections to the Welsh Assembly Government are one example—in which less than 50 per cent. of people vote. Is that even a mandate to govern? There are some council elections in which the turnout is under 20 per cent., yet we claim that people are interested in politics. I think that they are, but we are not showing them the need to be involved. We are driving them away, and that cannot be right.

The most important thing is that we work together. There are differences—there always will be differences—but if we allow those differences to pull us apart, we will destroy this country's democracy. When we come together we are stronger. We heard the points about Back Benchers standing together, but this debate is about this place standing together. The Committee's report has given us the opportunity to kick that off. I agree that we should have acted a long time ago. The structure of this place, the way we hold our debates—everything has to be in that melting pot. However, if we do not take the opportunity now, it could be destroyed for ever.

9.21 pm

Mr. William Cash (Stone) (Con): Although I am very much in favour of the proposals put forward in the report, I regret to say that it does not go anything like far enough. In saying that, I understand the point about the terms of reference, but the bottom line is that we need really radical reform in this House.

What we have witnessed over the past few months is an indication of the disrespect in which Parliament is held. I would maintain that that has more to do with the way Parliament conducts itself, in relation to the business in the House, the consideration of Bills and the problems

of timetabling, and with what generally happens in this place, as in the debate only two weeks ago on the economic crisis, when there was not a single person on the Government Benches—not one—except for the Minister and his Parliamentary Private Secretary, and there were two or perhaps three people on the Opposition side of the House. When Members have absolutely no interest in dealing with something as fundamental as the British economy in the context of the European Union, is it surprising that people should disrespect Parliament? In those circumstances, I am not surprised.

I have said many times that this is not our Parliament; it is their Parliament. I pay tribute to the hon. Member for Cannock Chase (Dr. Wright) for the work that he has done, but he knows that a lot of the ideas have their genesis in Parliament First—I would prefer us to be called "People and Parliament First"—and the Hansard Society, which gave some trenchant evidence, much of which is reflected in the outcome of the report, which also comes from the Modernisation Committee.

When the Modernisation Committee was dealing with the role of the Back Bencher, my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd), who is not in his place, repeatedly put down amendments saying that much more emphasis should be given to the real role of the Back Bencher, and not merely to the establishment thinking that was pouring out in the evidence that was given, and he was right. He repeatedly forced Divisions on his own. He was there on his own, but he was right, just as many of us have been when we have fought—sometimes unsuccessfully, regrettably—for the national interest as we have seen it. We have fought as a matter of conscience, conviction and principle for what we believed was in the interest of the British people. An example was the Maastricht treaty. I do not doubt that we were very unpopular at that time, but who would say now that we were wrong? Not many people. We also fought over monetary union and the exchange rate mechanism.

The independence of the Back Bencher is absolutely fundamental to the working of the House. That is why I appreciate, and will vote for, the proposals in the report. In my evidence to the Committee, I described the working of Parliament as a sham. A great deal of it is a sham, because so much of its work is driven by decisions that are taken outside Parliament—in the European Union, for example—without being properly debated. Even if they are debated, we cannot vote on them.

Everything ultimately comes back to one central issue, the Standing Orders of the House. That is why I proposed a manuscript amendment urging that the House give consideration to the procedures that should be applied so that we could have a proper debate on these matters and go further and deeper into these issues, but—irony of ironies—I have not even been allowed to table it. I was refused permission because of Standing Order No. 24B. If a motion is a take-note motion, it is unamendable, so my amendment could not even be debated. That demonstrates the failure not only of the Standing Orders but of the Whips.

About 150 years ago, there were only about four Standing Orders; in fact, they were not Standing Orders but Speaker's rules. There are now between 160 and 170 Standing Orders, which have been imposed by the Executive through what is effectively an elective dictatorship. The powers and freedoms of Back Benchers are being restricted by the imposition of more and more Standing Orders. Every time there is a problem, the Executive introduce another Standing Order to frustrate Back Benchers and prevent them from speaking. If Back Benchers are right in their fight against their own Government, that proves the point in itself.

Parliament is not reported properly outside this place. Much of the reporting results from the Government giving out handouts. The BBC does not give the proper degree of reporting that is required. I also believe strongly that there has been a diminution in the amount of reporting in the national newspapers, as Messrs Riddell, White and Robinson illustrated in their evidence to the Modernisation Committee. Why should the people have respect for this place, if they do not even know what is going on or what we do? That is the problem. This is a matter of reporting, a matter of the Standing Orders and a matter of political will.

I shall conclude by repeating what I said earlier. This is not simply a question of using the term "Back Benchers"; we need some backbone in this place. That will involve people standing up to the Government and taking action in the national interest. In his famous speech of 1774, Edmund Burke gave an indication of what he believed a Member of Parliament was. He said:

"You choose a member indeed; but when you have chosen him, he is not a member of Bristol, but he is a member of parliament."

That is the point. We have a national role to perform, and that is what our representative democracy is based on. It has now been degraded by the Whips system. Some kind of Whips system is required, but not the excessive use of it that we now have.

I congratulate the Committee on the report, so far as it goes, but we shall need radical reform to return the rights of the British people to them, through their representatives. They vote in general elections and express freely their choice of the kind of politics that they want. Given the disgraceful programming for which the Leader of the House and this Government have been responsible over the past decade, and the reduction and degradation of Parliament that they have brought about, it is no wonder that we are held in such disrespect. That can change, however, and this is the beginning. We must do something about it.

9.30 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): The partnership of independent Members has a great respect for this place and a great love for it but, in common with the hon. Member for Stone (Mr. Cash), we feel that it is very much time to do politics differently. Although our debate is restricted by the terms of reference, we have to accept, sadly, that in some ways these are very modest changes indeed when it comes to reforming Parliament and that we will have to wait for a new Parliament to undertake significant reform.

When the Leader of the House suggests that we are dealing with a new British constitutional settlement, it is, unfortunately, an overblown statement. People outside this place are at the end of their tether, partly because of the expenses scandal, as they see Members making themselves millionaires on the back of the public housing subsidy, and it is certain that changes to the election arrangements for Select Committees will not touch on the concerns of those people.

[Mr. Andrew Pelling]

Many have referred in this debate to the issue that cannot be spoken of: the relationship between party and MPs. The hon. Member for North-East Derbyshire (Natascha Engel) was happy to refer to it, which was most welcome. The hon. Member for South Staffordshire (Sir Patrick Cormack) also emphasised the key influence of the Whips perhaps even over the daily lives of MPs. For example, if a Whip has power over whether or not someone will be allocated a room with a window, it might well have an impact on whether they vote one way or another. Most importantly, the hon. Member for North Essex (Mr. Jenkin) emphasised the real sense in which this place has become an electoral college in which Members of Parliament are given things to do to keep themselves occupied once the presidential election has taken place.

Parties were an important process and an invention of the 19th century, but in the age of Facebook, the internet and Twitter, the democratic process can be liberated from the control of political parties. As was said, when the hon. Member for Reading, West (Martin Salter) challenged the excellent speech of the hon. Member for Broxbourne (Mr. Walker), it is in the power of MPs to take power back to themselves; it is merely their trepidation in the face of the Whips that is holding them back.

Unfortunately, when Back Benchers are part of political parties, they feel a little bit reticent about speaking for fear of accidentally embarrassing their Front-Bench colleagues. It is the responsibility of all of us, as Members of Parliament, to represent the people first, not a political party. All too often, the Gilbert and Sullivan approach of not having to think for oneself at all has become one of not daring to speak in this Chamber for fear of such embarrassment.

This has much to do with the history of Tony Blair's determination to ensure good discipline within the Labour party and to prevent the media from exploiting Labour by talking about divisions. The media are too quick to sit on MPs when they express slightly different views, suggesting that it amounts to a political division. That is why huge discipline was added on to the party Whip system, which ensures that this place does not act as a true Parliament or a place of speaking. Unfortunately, that has continued as discipline has been applied to Her Majesty's Opposition as a result of the Leader of the Opposition's determination to cleanse the party brand by stopping division from breaking out.

Also unfortunately, there is far too much partisanship in this place. Too much questioning goes along the lines of "Bearing in mind what rubbish you are, what do you think about this or that?" and the response is typically, "Well, you were rubbish 10 years ago". That does not sell well with the voters. Disagreements over the issue of care for the elderly over recent weeks provide a good example, as they have not played well for this place.

Many Members of Parliament come to this place having spent their whole careers working only for their political party or bodies close to it. In those circumstances, they are in no position to speak out against their political party to protect the interests of their constituents. As many Members have said, there is often a real stress on people expressing their outside interests, but we should not discourage those who have experience outside politics from representing constituents in this place.

In many ways, it is important that we have a far more radical agenda, perhaps following the Chartist approach, with Parliament being much closer to the people and having elections yearly, with a fifth of Members retiring at each election. This place cannot speak for the country when its system allows one party to have a huge majority on the basis that it received 4 per cent. more of the vote than the main Opposition party. That is not a way of empowering this place to speak. Such a process means that the Government inevitably take this place for granted.

Much has been said about the separation of powers. In many ways, such a separation would be an evolution, not a revolution. We have heard about people such as Harold Wilson having a presidential style of premiership and about Lord Hailsham talking about an elected dictatorship. We should recognise that that has been very much at the heart of our politics for many decades. Many of us have been fans of the programme "The Thick of It". When Nicola Murray said, "I can't achieve anything. I'm only a Cabinet Minister," that jest unfortunately had far too much truth to it. The reality is that power is not even in the Cabinet. We should recognise that the system is such that the Executive are in many ways already very separate from the rest of Parliament and we should recognise that that should be the case.

We should introduce 48-week Parliaments. As well as declaring the hours that we work outside this place and declaring our outside interests, we should perhaps also declare the number of hours that we work in this job. It would do colleagues great credit if they could actually tell people how many hours we work in our job.

We might even consider moving out of this place. In some ways, the history of this place can put a burden on our culture and on the way in which we do our business. There would be no harm in our moving down to ExCeL—there is plenty of space there. We might even have open-plan offices so that we could organise the resourcing of our staff in a much more economical way and achieve economies of scale, with Members of Parliament specialising in migration or benefits. That would be a much modern approach for Parliament.

Reform of our approach is vital. If I can be a little more light-hearted, however, we must also recognise that this is a place of entertainment for the people. Prime Minister's Question Time has an important role in that process, so let us not have it at midday for the purposes of news management. Why not have it on Thursday at 9 pm, in the run-up to all the political programmes that are on the BBC that evening? Obviously, we should have it after "Coronation Street", but it would also be a natural climax at the end of the parliamentary week, and Members of Parliament could perhaps stay until Thursday.

Finally, I want to make a more important and serious point. This House failed to prevent an illegal war. We failed to hold in check a Government who are so authoritarian that they talk about introducing ID cards, who are responsible for a tremendous amount of intervention in people's lives and who may well have been complicit in torture. The House is not holding the Government to account. With reference to earlier guidance from the hon. Member for Gainsborough (Mr. Leigh), may I suggest that if we were to return to a situation where Parliament has the power to vote moneys to Government—perhaps in combination with Parliament having our own budget office and our own power, as a

separate body from Government, to set down our own legislation—we might be a much more powerful place and be able to hold Government to account properly?

9.40 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I thank all Members on both sides of the House who have taken part in this very important debate. I also thank the hon. Member for Cannock Chase (Dr. Wright) and all the other members of his Committee, especially for producing such an excellent report in double-quick time. However, it is regrettable that the Government did not rise to the challenge before them. The Committee called for a debate on its proposals within two months of publication, yet it has taken the Government more than three months to hold today's debate, and even then it is only a take-note debate on selected proposals from the report. Put simply, the way the Government have handled this entire affair provides a clear example of why change is needed.

Few would disagree that there is a need for reform to redress the balance of power between the Executive and Parliament. Moreover, there is an appetite for urgent change outside the House, from a public whose faith in politics and Parliament had been slowly eroding for some time. The remnants of that faith were shattered by the expenses revelations of the past year. While today's reforms are no panacea, they are certainly a step in the right direction. Let me be clear: the Conservatives support the recommendations before us today. Indeed, many of the reforms are similar to those put forward by my party's democracy taskforce, which was chaired by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke).

The hon. Member for Cannock Chase explained the Committee's perspective in what was regarded by all present as a truly outstanding speech. He spoke of a window having been opened on our House and the fact that it will not be closed again, and he also said that the status quo is no longer an option. The hon. Member for Somerton and Frome (Mr. Heath) highlighted the inadequacies of the way we work and endorsed the Committee's report. The hon. Member for Reading, West (Martin Salter) spoke of the reform that has been stalled so far, and I would like to know what his constituents might have to say about his candid comments on early-day motions and the reasons why he signed them in the past; it would be particularly interesting to know whether he told his constituents his true views before he announced that he was stepping down from Parliament.

My hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) reminded us that he is the longest serving member of the Modernisation Committee, and he rightly paid tribute to the late Robin Cook and spoke of the need to have less legislation. The hon. Member for North-East Derbyshire (Natascha Engel) wanted a wider focus on the issues, starting with the role of the MP. She spoke with courage in favour of her minority view.

My right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) reminded the House that it was Labour who broke the convention that procedural reform went through only with Opposition support, and he rightly raised concern about the Government's use of the guillotine, which should be used only as a last resort. The hon. Member for Sunderland, South (Mr. Mullin) raised the subject of September sittings in order for us to be rid of the public perception of Members being on holiday then, even though they may not be so.

The hon. Member for Oxford, West and Abingdon (Dr. Harris), who served on the Wright Committee, praised the shadow Leader of the House, and I am sure my right hon. Friend will take comfort from those words. The hon. Gentleman also expressed his concern about Report stage scrutiny, as well as Select Committee scrutiny. The hon. Member for Stoke-on-Trent, Central (Mark Fisher) made a very learned contribution, and may I take this opportunity to commend him on all his contributions over the years with Parliament First? He said this report represented the vital first steps on the way to reform, and he rightly spoke of the need to have a culture change, not only a process change. My hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), who gave a speech that reflected his considerable experience in the House, discussed a business committee that could be presided over by the Speaker.

The hon. Member for Gloucester (Mr. Dhanda) spoke of issues beyond the remit of the debate and at one point was critical of Conservative Members and of my party-in particular of how it is reflective of the mainstream community. May I simply take the opportunity to say to him that we very much hope that after the general election we will have made huge strides in that respect by having more ethnic minority and women MPs? If he doubts my words, I suggest that he looks at yesterday's edition of *The Mail on Sunday*, particularly pages 2, 24 and 25.

Mr. Dhanda *rose—*

Mr. Vara: I am sorry but I will not give way, because I have a limited amount of time available to me and I am keen that the Government have their fair share too.

We heard an excellent intervention from my right hon. Friend the Member for East Yorkshire (Mr. Knight), who spoke of the reform process needing to be an ongoing one. My hon. Friend the Member for North Essex (Mr. Jenkin), who is a key signatory to the amendment to motion 9, spoke of the need to restore the balance of power between the Executive and Parliament, concluding with the powerful point that a strong Government can come with a strong Parliament.

My hon. Friend the Member for Chichester (Mr. Tyrie) gave a thoughtful speech, in which he enumerated the reasons for the existing balance of power being against Parliament and provided a possible way forward. The hon. Member for East Dunbartonshire (Jo Swinson) accepted the proposed reforms, but struck a critical tone in her speech and also spoke of reforms beyond the report, such as the need for us to have more clips on YouTube. The hon. Member for Stroud (Mr. Drew) was candid in saying that he had not intended to take part in this debate at the outset—given the subject at hand, it was hardly surprising to hear cries of "Whips' influence".

My hon. Friend the Member for Broxbourne (Mr. Walker) gave a passionate speech, in which he reminded us that we are not delegates, but representatives. The hon. Member for Hackney, North and Stoke Newington (Ms Abbott) spoke of her experiences in the

[Mr. Vara]

House when she was first elected compared with now, citing the timetabling of the business of the day as a prime example. The hon. Member for Cambridge (David Howarth), who pointed out that he was a member of the Wright Committee, spoke of empowering Back Benchers, particularly those on the Government side—that was greeted with approval from Labour Members. The hon. Member for Blaenau Gwent (Mr. Davies) emphasised the need for reform by making reference to inquorate Select Committee meetings. My hon. Friend the Member for Stone (Mr. Cash) gave a typically passionate speech in which, as would be expected, he managed to mention the Maastricht treaty.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD) *rose—*

Mr. Vara: I am sorry, but I will not give way. In the concluding speech before the winding-up speeches, the hon. Member for Croydon, Central (Mr. Pelling) spoke of more radical changes being required.

We now have the irony that on the one hand the public are disenchanted with the political process, yet on the other they have more opportunity than ever before to engage with us. Technological advances mean that members of the public are much better informed and have instant methods of expressing opinions to their elected representatives. I do not deny that the changes will be difficult to start with—a Back-Bench business committee will take some getting used to, for example—but these are challenges that we should take on and accept. We should not shirk the challenge because of a misplaced fear of failure.

The Leader of the House has spoken of establishing a consensus before we can proceed, but what she really means is that there should be unanimity. That was clearly confirmed by the Prime Minister when he spoke of the

"agreement of all the parties and all Members of the House".

As my right hon. Friend the Member for North-West Hampshire (Sir George Young) said in his opening speech, in the past the Government have been happy to press pet reforms through when it suited them but the demand for unanimity now strongly implies that the Government are not full square behind these proposals. If the Leader of the House disagrees with that assertion, I invite her deputy to confirm in her reply that on 4 March all the resolutions will be tabled. There really is no excuse for not allowing the House to express its views on all the proposals in the report. A failure to receive that confirmation will remind Members of the Leader of the House's earlier comments, when she spoke of a "climate of suspicion"—her words, not mine.

There is still time to recant. Today, we have the opportunity to restore to Parliament some of the powers that it has lost over successive decades. We have an opportunity to restore the balance of power, strengthening Parliament so that it can hold the Executive more fully to account. We have an opportunity to reach out to a disillusioned public as part of the process of regaining their trust and faith in us and we have an opportunity for Parliament more to reflect the political standards of the 21st century. Let us not waste that opportunity. I urge all right hon. and hon. Members to support the proposals.

9.50 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I, too, want to thank all our speakers. We have had a wide-ranging debate today, with contributions from 30 right hon. and hon. Members from both sides of the House—20 main speakers and 10 other contributions. That was a tremendous effort. It might have been a Christmas tree debate, as the hon. Member for North Essex (Mr. Jenkin), who is no longer in his place, said earlier, but, as I am sure the shadow Leader of the House will admit, it was much more themed than the pre-recess Adjournment debates.

I believe that our aim tonight should be to support reforms that help to create a more vibrant and balanced House of Commons in the future. There have been a number of comments in the debate doubting the Government's commitment to reform issues and I want to refer to the most recent appearance before the Liaison Committee on 2 February of my right hon. Friend the Prime Minister. He spoke about reform and said that

"there are major changes we can make that can improve the working of our democracy."

These were to:

"Make power more accountable to people, make people have a more direct relationship with their representatives and, of course, make the Executive give up some power it should not have to the House of Commons and to the elected authorities."

I believe that was an important statement of intent before our debate tonight.

Many Members have referred to the pressing need to rebuild public confidence in this House and one of the key aspects of that change will be to increase public engagement with the House. We must consider how we can make what happens in this House more relevant to the public and also how we can give the public influence over some of the subjects for debate in Parliament. A number of Members have talked about this issue.

My hon. Friend the Member for Reading, West (Martin Salter) said that the way in which we deal with petitions is "absurd." It is clear that there is a case for change and that our processes for presenting petitions from the public are no longer satisfactory. Indeed, the presentation of petitions is a practice of great antiquity as well as a method of modern democratic participation. A recent survey by the Hansard Society found that signing a petition was the most popular democratic activity and that 76 per cent. of the people surveyed had done so in the previous year. This figure was only 2 per cent. less than the number of people surveyed who had voted. As a Back-Bench MP—this was a role of which I was proud—I presented petitions on a range of subjects. One was directed at the G8 leaders when they were meeting at Gleneagles, whereas others concerned local bus services. All were equally important and I understand the importance that constituents attach to petitioning this House.

Mr. Cash: Will the Deputy Leader of the House give way?

Barbara Keeley: I do not think that I have time.

Five of the motions tabled tonight would reform how the House handles petitions and would give opportunities for debate on certain public petitions. We could say that that is a small step, but it is worth taking.

Let me turn to the other motions. The Committee's report proposes a road map for reform. As we have seen in this debate, there is, unsurprisingly, disagreement about certain elements of that road map. My hon. Friend the Member for Reading, West said that we were moving in an consensual bubble today, but there were differences of opinion, as there have been in the past. Consensus has proved, across the decades of reform, difficult to reach and to agree. The past reforms of the House have not been a continuous process, as many hon. Members have emphasised that they should be. That is one of the most important things that we can take away from the debate. We have moved to a position where we have a fairly continual process of reform, and Members support that.

Much of the focus on reform in the past has been based on procedural change, aimed at improving efficiency. Since 1960, successive Procedure Committees—

Mr. Tyrie: Will the Deputy Leader of the House give way?

Barbara Keeley: Very briefly.

Mr. Tyrie: I am grateful to the hon. Lady for giving way. Will she take the opportunity, briefly, to confirm that every proposal in the Wright Committee report will be on the Order Paper so that we can vote on it?

Barbara Keeley: I will come to the process at the end.

Successive Procedure Committees have looked into aspects of streamlining the Commons and its working practices, focusing on the use of questions and the structure of Commons sittings. Looking back at past reforms in the light of today's debate, it is striking how much time it took to consider and gain agreement on such reforms, with further time being needed to implement them. For example, the idea of introducing a time-limit on speeches in the Chamber was first considered in 1960. The Procedure Committee recommended a trial of the idea in 1978, but time limits were not used routinely until much more recently. Issues regarding sittings, such as whether the House could rise earlier at night, were first considered in 1975 and examined again by the Select Committee on Sittings of the House, the Jopling Committee, in the 1990s. It then took two years to implement that Committee's recommendations. So we have had not continuous processes on such matters in the past, but processes that took many decades in some cases.

In the past 13 years, since the establishment of the Modernisation Committee in 1997, a more continuous stream of changes has been considered. Many changes focused on the efficiency of the House, but some measures have focused on increasing its effectiveness—an issue that a number of hon. Members have raised this evening. The introduction of Westminster Hall as a debating Chamber has allowed much more time for Back Benchers to raise issues. There were more than 330 hours of debate in Westminster Hall in the last Session, which is more time than would have been available had the House sat on every Friday of the year. There have also been important changes to allow greater topicality, including the introduction of topical debates and topical questions. More recently, Mr. Speaker has also allowed a greater use of urgent questions.

Today's debate is clearly about differing views on how to improve the effectiveness of the Commons. The scale of the reforms before us is much greater than on previous occasions. Taken together, the reforms represent the largest set of changes that the House has considered for some time. It is fair to say that right hon. and hon. Members have been particularly keen to debate these reforms. We have had three Adjournment debates on this issue, the first of which was 48 hours after the Committee's report was published. We have also had two 90-minute debates in Westminster Hall about reform, and, more recently, a debate with independent Members about the revitalisation of the Commons. This subject was also raised during the pre-Christmas Adjournment debate. The House has, of course, already approved the recommendation for the election of Deputy Speakers by ballot.

Before I make my final comments, I want to refer briefly to some of the comments in the Committee's report on the current operation of the system. It states:

> "We acknowledge the excellent work of the professional-civil servants in the Chief Whip's Office, in the Leader's Office and in the Opposition Chief Whip's Office…The smooth running of the House, whatever the political arguments, owes much to the talents of those operating the business system."

I have worked with the professional civil servants in both the Chief Whips Office and the Office of the Leader of the House, and I want to thank them, particularly the staff of the Leader of the House's office, of my office and Tom Healey, who have worked hard on the motions for today's debate, as they do on all aspects of House business.

We have heard many comments about Whips in the debate, and we are joined by a few of them now. The shadow Leader of the House said that he and the Opposition Chief Whip were as brothers. Perhaps, as a former Government Whip, I can continue the allusion, to siblings. In keeping with the greater female representation on the Government side, I can say that our Whips Office has sisters, and I was proud to be one of that sisterhood.

My right hon. and learned Friend, the Leader of the House of Commons, has been clear regarding the process required to take the Committee's report forward. Her written ministerial statement of 9 February stated that any motions that are objected to tonight, or that have amendments that Members do not wish to withdraw, will be brought back to the House as amendable motions for votes scheduled for 4 March.

Mr. Graham Brady (Altrincham and Sale, West) (Con): Will the Minister confirm whether there will be an opportunity to vote on appointments to the Intelligence and Security Committee next week?

Barbara Keeley: Just to be clear, this was covered when the Leader of the House opened the debate. We have listened to the debate and we have tabled a number of motions, the terms of which would be a big step forward. It is has been made clear that big items were tabled for consideration tonight. We will come back on a different day to vote; we will have motions, and amendments can be tabled. That has been made clear time and again.

Sir George Young: So that there is no doubt whatsoever, can the hon. Lady confirm that all the Wright recommendations will be tabled for decision on Thursday week?

Barbara Keeley: Not all of them require decisions.

I should like to conclude by reminding right hon. and hon. Members that this is House business. As the Leader of the House made clear earlier, for this evening and for all other occasions on which we vote on the issues, there will be free votes—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Business without Debate

Mr. Speaker: We now come to the 16 specific motions. In accordance with decisions of my predecessors, I regard amendments that do not bear the name of the Member in charge as constituting notice of opposition to the motion concerned.

CHAIR (TERMINOLOGY)

Motion made,

(1) That this House approves recommendation 3 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008-09, HC 1117; and

(2) That accordingly, in each place where they occur in any Standing Order related to Public Business, Order or Resolution of the House, except as provided in paragraphs (3) and (4) below:

(a) for "chairman" there shall be substituted "chair";

(b) for "chairmen" there shall be substituted "chairs"; and

(c) for "Chairmen's Panel" there shall be substituted "Panel of Chairs";

(3) That the following changes to Standing Orders be made:

(a) In Standing Order No. 9 (Sittings of the House)—

(i) in line 25, leave out "chairman" and insert "occupant of the chair",

(ii) in line 32, leave out "chairman" and insert "occupant of the chair", and

(iii) in line 37, leave out "chairman" and insert "occupant of the chair";

(b) In Standing Order No. 11 (Friday sittings), in line 29, leave out "chairman" and insert "occupant of the chair"; and

(c) In Standing Order No. 35 (Dilatory motion in abuse of the rules of the House), line 10, leave out "chairman" and insert "occupant of the chair";

(4) That this order shall not apply to the titles of Chairman of Ways and Means, Deputy Chairman or Chairmen or the Lord Chairman of Committees where they occur in any Standing Order, Order or Resolution of the House.—*(Steve McCabe.)*

Hon. Members: Object.

ELECTION OF SELECT COMMITTEE CHAIRS

Motion made,

That the following Standing Order be made, with effect from the beginning of the next Parliament—

(1) The chairs of the following select committees shall be elected by the House in accordance with paragraphs (2) to (13) below:

(a) select committees appointed under Standing Order No. 152 (select committees related to government departments);

(b) the Environmental Audit Committee;

(c) the Select Committee on Public Administration; and

(d) the Committee of Public Accounts.

(2) The day following his election at the start of a new Parliament, the Speaker shall communicate to the leaders of each party represented in Parliament the proportion of chairs of select committees to be elected under this order falling to each such party which would reflect the composition of the House.

(3) If, within a week of the Queen's speech, a motion in the name of the leaders of all the parties entitled to one or more chairs of select committees subject to whole House election specifying to which party each such chair is allocated is moved, the questions necessary to dispose of proceedings on the motion shall be put not later than one hour after their commencement, proceedings on the motion shall be exempted business and Standing Order No. 41A (Deferred 20 divisions) shall not apply.

(4) If a motion to which paragraph (3) above applies also makes changes to Standing Order No. 152 (Select committees related to government departments) which are consequential on changes to the machinery of government, then the questions necessary to dispose of proceedings on the motion shall be put not later than one and a half hours after their commencement; proceedings on the motion shall be exempted business; and Standing Order No. 41A (Deferred divisions) shall not apply.

(5) If the House has agreed a motion allocating chairs to parties the election of the chairs shall take place in accordance with the remaining provisions of this order.

(6) The ballots shall take place fourteen days after the approval of the motion allocating chairs to parties.

(7) (a) Nominations of candidates shall be in writing and shall be received by the Clerk of the House by 5.00 pm on the day before the ballot.

(b) Each nomination shall consist of a signed statement made by the candidate declaring his willingness to stand for election, accompanied by the signatures of fifteen Members elected to the House as members of the same party as the candidate or ten per cent. of the Members elected to the House as members of that party, whichever is the lower.

(c) Statements may be accompanied by signatures of up to five Members elected to the House as members of any party other than that to which the candidate belongs, or members of no party.

(d) No Member may sign the statement of more than one candidate for chair of the same select committee.

(e) No Member may be a candidate for the chair of a select committee which has not been allocated to his party under paragraph (3) of this order or otherwise, or for which he is ineligible under Standing Order No. 122A (Term limits for chairmen of select committees).

(f) No Member may be a candidate for more than one chair elected under this order.

(g) As soon as practicable following the close of nominations, lists of the candidates and their accompanying signatories shall be published.

(8) Election of chairs of select committees under this order shall be by secret ballot.

(9) Preparatory arrangements for the ballots shall be made under the supervision of the Clerk of the House.

(10) (a) If there is only one candidate for the chair of a select committee, that candidate shall be declared elected without a ballot.

(b) The ballot shall take place in a place appointed by the Speaker.

(c) Each Member intending to vote shall be provided with a ballot paper for each select committee bearing the names of the candidates listed in alphabetical order.

(d) Members will vote by ranking as many candidates as they wish in order of preference, marking 1 by the name of their first preference, 2 by the name of their second preference, and so on. Any candidate who receives more than half the first preferences shall be elected. If no candidate is so elected, the candidate or

candidates with the lowest number of first preferences shall be eliminated and his votes distributed among the remaining candidates according to the preferences on them. If no candidate has more than half the votes, the process of elimination and distribution is repeated, until one candidate has more than half the votes.

(e) The ballot shall be open between 10.00 am and 5.00 pm and counting shall take place under arrangements made by the Clerk of the House.

(11) The Speaker shall have power to give directions on any matter of doubt arising from the conduct of a ballot or from an individual ballot paper and to vary the timings given in paragraphs 5 to 10 of this order.

(12) As soon as practicable after the closing of the ballot the results shall be published under the direction of the Speaker.

(13) A chair elected under this order is a member of the committee of which he is elected chair.—*(Steve McCabe.)*

Hon. Members: Object.

RESIGNATION OR REMOVAL OF CHAIRS OF SELECT COMMITTEES

Motion made,

That the following Standing Order be made, with effect from the beginning of the next Parliament—

(1) In the case of a select committee to which the provisions of Standing Order No. (Election of select committee chairs) applies, where

(a) the chair has ceased to be a member of the House, or

(b) the chair has given written notice to the Speaker of a wish to resign from the chair, or

(c) the committee has reported a resolution that it has no confidence in the chair in accordance with the terms of paragraphs (3) and (4) of this order the Speaker shall declare the chair vacant and, as soon as practicable, announce the date of the election for the position of chair of that committee which shall be not fewer than ten sitting days after that announcement.

(2) The election shall be held according to the provisions of paragraphs (2) to (13) of Standing Order No. (Election of select committee chairs), save that 15 nominations shall be submitted by 12 noon on the day before the ballot.

(3) No motion expressing no confidence in its chair may be made in a committee unless notice of the motion has been circulated to the chair and all members of the committee at least ten sitting days in advance of the meeting at which the motion is made.

(4) A resolution by a committee expressing no confidence in its chair shall not have effect for the purposes of paragraph (1) above unless either

(a) it is agreed by the committee without a division or

(b) the majority of the membership of the committee, including at least two members from the largest party represented on the committee and at least one member from another party, vote in favour of the resolution.

(5) A motion expressing no confidence in the chair may not be made in a committee in the six months following the election of a chair by the House or in the year following a vote on such a motion on that chair.—*(Steve McCabe.)*

Hon. Members: Object.

ELECTION OF MEMBERS OF SELECT COMMITTEES

Motion made,

That this House takes note of recommendation 6 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and endorses the principle that parties should elect members of select committees in a secret ballot by whichever transparent and democratic method they choose.—*(Steve McCabe.)*

Hon. Members: Object.

NOMINATION OF SELECT COMMITTEES

Resolved,

That this House approves the principle that the principal select committees ought to be appointed within six weeks of the beginning of the Session at the start of a new Parliament, as set out in recommendation 8 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117.—*(Steve McCabe.)*

REDUCTION IN SIZE OF SELECT COMMITTEES

Ordered,

That, with effect from the beginning of the next Parliament, Standing Order No. 152 (Select committees related to government departments) be amended, in the Table in paragraph (2), by leaving out "14" in each place in the column headed "Maximum members" and inserting "11".—*(Steve McCabe.)*

SELECT COMMITTEES (ROLE, RESOURCES AND TASKS)

Resolved,

That this House approves recommendation 11 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and welcomes the Liaison Committee's proposal to carry out a review of the role, resources and tasks of select committees set out in paragraphs 26 to 28 of its First Report, Session 2009–10, HC 272.—*(Steve McCabe.)*

BACKBENCH BUSINESS COMMITTEE

Motion made,

That this House approves recommendation 17 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and looks forward to the House being offered the opportunity within 10 sitting weeks of the beginning of the next session of Parliament to establish a backbench business 5 committee and a new category of backbench business, in the light of further consideration by the Procedure Committee.—*(Steve McCabe.)*

Hon. Members: Object.

SEPTEMBER SITTINGS

Resolved,

That this House approves recommendation 31 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, insofar as it relates to an early decision in the next Parliament on sittings of the House in September 2010.—*(Steve McCabe.)*

ENGAGING THE PUBLIC WITH LEGISLATION

Resolved,

That this House approves recommendation 42 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and welcomes the work which is already taking place on the recommendation as set out in the written answer given by the hon. Member for North Devon, on behalf of the House of Commons Commission, on 8 February, Official Report, col. 651-652W.—*(Steve McCabe.)*

PETITIONS REQUIRING DEBATE

Resolved,

That this House approves recommendation 43 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and welcomes the work which is already taking place on the recommendation as set out in the written answer given by the hon. Member for North Devon, on behalf of the House of Commons Commission, on 8 February, Official Report, col. 651-652W.—*(Steve McCabe.)*

ELECTRONIC PETITIONS

Resolved,

That this House approves recommendation 44 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, welcomes the preparation of a revised scheme as set out in the written answer given by the hon. Member for North Devon, on behalf of the House of Commons Commission, on 8 February, Official Report, col. 651-652W, and looks forward to considering the scheme in the next Parliament.—*(Steve McCabe.)*

DEBATES ON PETITIONS

Resolved,

That this House welcomes recommendation 47 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and considers that there should be a trial of debates on public petitions in Westminster Hall in the next Session of Parliament, subject to the presentation of petitions of sufficient significance.—*(Steve McCabe.)*

INFORMATION FOR PETITIONERS

Resolved,

That this House approves recommendation 48 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and welcomes the work which is already taking place to develop pilot schemes for providing more information to petitioners via the hon. Member who presented the petition as set out in the written answer given by the hon. Member for North Devon, on behalf of the House of Commons Commission, on 8 February, Official Report, col. 651-652W.—*(Steve McCabe.)*

PRESENTATION OF PUBLIC PETITIONS

Resolved,

That this House approves recommendation 49 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117.—*(Steve McCabe.)*

PRIVATE MEMBERS' MOTIONS

Resolved,

That this House approves recommendations 23 and 50 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and looks forward to the matter being further considered by the Procedure Committee in the next Parliament.—*(Steve McCabe.)*

PETITION

Canvey War Memorial Fund

10.3 pm

Bob Spink (Castle Point) (Ind): Having just debated the importance of petitions, I am delighted to present—*[Interruption.]*

Mr. Speaker: Order. I do not wish to interrupt the hon. Gentleman. We have had a substantial and stimulating debate, but I appeal to Members who are leaving the Chamber and who, unaccountably, do not wish to listen to the hon. Member for Castle Point (Bob Spink) presenting his petition please to do so quickly and quietly.

Bob Spink: Thank you, Sir. I am delighted to present this massive new petition on Canvey Island's war memorial. It was prepared by Mr. Rob Finch—a valiant Army veteran—the excellent and caring Canvey Royal British Legion and the war memorial committee. Castle Point people feel that the borough council has been arrogant and uncaring in its attitude to the removal of the original war memorial. These memorials are important. They do not belong to remote Tory councillors; they belong to the people—in this case, the people of Canvey Island. This and other Canvey matters should be dealt with on Canvey Island by excellent Canvey councillors.

The petition states:

To the House of Commons

The Petition of Mr. Finch, the Canvey War Memorial Committee and other residents of Castle Point,

Declares that they object to Castle Point Borough Council's management of the Canvey Island War Memorial Fund, donated by residents for the refurbishment of the Canvey War Memorial; further objects to the Council's handling of the refurbishment planning and process including their refusal to act on the advice of the Canvey War Memorial Committee.

The Petitioners therefore request that the House of Commons

Urges the Government to press Castle Point Borough Council, and all Councillors, to hand control of the Canvey War Memorial Fund and refurbishment of the memorial to the Canvey War Memorial Committee.

And the Petitioners remain, etc.

[P000737]

Total Place Programme (High Peak)

Motion made, and Question proposed, That this House do now adjourn.—*(Mrs. Hodgson.)*

10.5 pm

Tom Levitt (High Peak) (Lab): I am grateful, Mr. Speaker, for the opportunity to hold this debate. Let me say at the outset that I believe that the Department's Total Place concept is a very fine objective and process. My only criticism is that it should have been in place many years ago.

As I understand it, Total Place looks at the sum total of public services available within a geographical area. It looks for crossovers between local government, central Government and Government agencies, and how location and other elements of co-working can be best employed to deliver high quality services more efficiently than before. Pilots are being conducted in various places across the country, even if they are not being conducted in my constituency.

I will say more about Total Place in a few minutes, but first I hope that my hon. Friend the Minister and you, Mr. Speaker, will indulge me if I say a little about the totality of services in High Peak. This is a particularly poignant moment for me as I am standing down at the forthcoming election. It is possibly the last substantial chance that I shall have to tell the House about the incredible developments that have taken place in High Peak during 13 years of a Labour Government.

For example, across High Peak crime has fallen consistently and strongly every year since Labour came into office. We have more police officers in Derbyshire than ever before—up from 1,791 in 1997 to 2,119 today—and the way in which they are organised into Safer Neighbourhood teams is impressive. It is the start—I repeat, only the start—of genuine community policing operating within every community and serving those communities by both tackling crime and increasing community confidence, and it provides the mechanism for making that local policing much more accountable to ordinary people.

That is important. I recently contributed to a report by my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) into accountability in policing. Our very strong conclusion was that the most important level of accountability was at the community level, with the police telling people what is available and people telling officers what is needed. One way to do that is through better local authority scrutiny of policing and other non-local authority services, perhaps in the same way as local involvement networks—LINks—in the health service are being set up to do. I was delighted when the current Home Secretary accepted the proposals in full in his recent White Paper on policing.

I shall single out a few people for special mention. The first is Lee Baker. I hope that Lee is not an exceptional police community support officer because he symbolises for me exactly what police community support officers are about. He is a genuine man of the people, he cares about communities, he is a friendly face in New Mills whom people can approach, and he is not afraid to engage in the less sympathetic side of the job. I congratulate Lee Baker, Chief Constable Mick Creedon and all the others in between. I also say a special thank you to Janet Birkin for her leadership of Derbyshire police authority over some years which, like my tenure, will come to an end this summer.

Meeting people like Lee, Janet, Gary Staples, Barry Doyle and others has been a privilege, and I commend to my successor as the Member for High Peak—who, I have every confidence, will be Caitlin Bisknell, the Labour candidate—the police service parliamentary scheme as a great way of getting to know that service from the inside. Policing is a key public service, and police know as well as anyone that to reduce crime requires not only the officers, the skills, the technology and the communications, but the design of the housing estates and the shopping centre, economic stability and the awareness of complementary services. Crime reduction partnerships were perhaps a precursor of Total Place. The police in my area are keen contributors to the local strategic partnership and an officer is even embedded in the offices of the local borough council.

Perhaps my proudest achievements locally are, first, negotiating the merger of High Peak college with the university of Derby, making world-class courses in hospitality management and catering available to a world audience; and, secondly, acquiring a campus, which was the essential next step following the merger. The old Devonshire Royal hospital had stood empty for some years. It is a magnificent grade II* listed building, and early on we identified it as a wonderful site for a university campus.

To cut a long story short, the then university pro-vice-chancellor, Michael Hall, and I met my right hon. Friend the Secretary of State for Work and Pensions, who was then a Health Minister. Several months later, we secured the Devonshire Royal hospital and its wonderful dome—one of the biggest of its kind in the world, more than 100 years old and sitting on top of a 250-year-old former stable block—as the home of the northern campus of the university of Derby at Buxton. It now provides higher and further education to more than 1,000 students, locals and incomers, and that wonderful building remains a glorious public asset.

Equally importantly, the university brings £25 million per year into the local economy and engages actively in all aspects of local life, not just the academic aspects. It promotes the wider skills agenda and is a major contributor to the culture of the town of Buxton, which already has a wonderful reputation for annual opera and literary festivals and their fringes, and for Georgian architecture.

Roger Waterhouse was that pioneering vice-chancellor and John Coyne is his successor, and I thank them for their leadership of the university over the years. John Coyne is a relatively new recruit to the regional economic cabinet, a group established in autumn 2008 by the Minister for the East Midlands, my hon. Friend the Member for Corby (Phil Hope). My hon. Friend the Under-Secretary will know what I am talking about, as she too is a Regional Minister. The economic cabinet is a body on which I have had the great pleasure of sitting throughout that time as deputy to my hon. Friend the Minister for the East Midlands. Bringing together businesses large and small, trade unions, the third sector, universities, the Jobcentre network, local authorities, learning and skills councils and other agencies, the regional economic cabinet is in some respects a Total Place exercise for the whole region.

I hope that lottery funding, which was used to rescue our dome, will be included in the Total Place assessment of how areas work. Heritage lottery funding has been available for the past 13 years to help us retain and restore not only the Devonshire's dome, but Buxton

[Tom Levitt]

opera house, the Victorian Pavilion gardens and the ongoing work to return St. Ann's hotel in the Crescent to its rightful role as the country's leading spa hotel.

Talking of lottery funds, let me move the focus from Buxton to Gamesley, the most deprived ward in my constituency, which was built in the early 1960s to replace slums in central Manchester. It was not well designed, being a stand-alone housing estate on a greenfield site a bus journey a way from Glossop, with limited facilities and no employment opportunities, and it remains the most deprived ward in my constituency. However, its community spirit and the way in which certain individuals have led the community over the years has been tremendous.

I compliment Pat Javanaud in particular. Pat is employed by Derbyshire county council in its community education department, but over the past three years she has managed a £250,000 lottery grant under the "Reaching Communities" umbrella. More than one third of Gamesley's population has engaged in training courses or other provisions designed to strengthen community bonds and its capacity to thrive. Pat's incredibly cheery spirit and her passionate commitment to her work mean that she has been able to deliver a huge step change in how the community works. The estate recognises that work through the annual achievement awards that she organises each December, when people experience the thrill of others recognising the value of their skills—for work, life or caring—for the very first time.

Pat's partner in crime in Gamesley must be Lynn Kennington. An early excellence centre emerged from Gamesley a generation ago, providing splendid support for the community's youngest children and families who face the most difficult challenges on that isolated and unfortunate estate. That large and sprawling centre evolved into High Peak's first Sure Start centre, with Gamesley and Lynn winning national recognition for having created a true centre of excellence. If the east midlands is a macro Total Place, Sure Start is its micro equivalent. Bringing together not just education and health services, but social, culture, adult and community education and Jobcentre outreach services under one roof, Sure Start—of which there are now five centres in High Peak, including two that were purpose-built by this Labour Government—is a wonderful institution.

Talking of excellence, and returning to the police for a moment, I will never forget one night in Gamesley when I went on the beat with a special constable. Our task was to check that young people were observing their curfews. We went to one house and the mother said, "He's upstairs, asleep." "At 8 pm?", we wondered—and yes, he was. His mother said: "Thank you. That curfew has really brought my family together—I've got to know my son again."

Communities function best when they have a vibrant volunteering infrastructure, and Gamesley is no exception. Gamesley residents association is staffed entirely by volunteers and provides a daily source of advice, support and information, bringing voluntary groups together with each other and with the statutory services, and providing a focus for councillors. For Gamesley—of course, they are all Labour in this area—the hard-working Anthony Mckeown and his father Bob, the ex-mayor, are on the borough council and the ubiquitous Councillor David Wilcox is the Derbyshire county council representative.

Elsewhere across High Peak, we are privileged to be served by what I believe is one of the best councils for voluntary service in the country. I am proud that I was able to be in at the start by convening a working party to set up the CVS, which now provides services to the national CVS movement, as well as a wide range of training and other opportunities for community groups across High Peak to tap into and deliver their part in the community life of their areas. Kevin Skingsley is its dynamic leader, but I cannot mention the voluntary sector without name-dropping a few more individuals: Jo Ward at Glossop volunteer centre, Dorothy Scapens at New Mills volunteer centre, and Sue Howard at Buxton volunteer centre, all of whom have contributed so much to their communities over the years. At Glossop volunteer centre, in particular, the engagement with V-Inspired, the charity that promotes youth volunteering, has been substantial, with more than 200 young people introduced to volunteering for the first time, some of whom will be in London tomorrow to receive awards for their work.

While I am talking about volunteers, let me say a word about Joyce Ellis. At about the same time that I was working to become the Member of Parliament for High Peak, Joyce and a small group of others were establishing the Kinder children's choir. With never fewer than 100 members of the full choir, this organisation has gone from strength to strength. Young people from eight to 18, with no need for an audition, are taken on a whirlwind journey of developing musical excellence, self-discipline and responsibility. My daughter was a member of that choir for seven years. The experience that these children have had—not only appearing on television on a regular basis and producing CDs of their work, but singing in such places as Eisteddfods, the Royal Festival hall, St. Paul's cathedral and European venues, not to mention the Chapel downstairs—has been absolutely tremendous: a character-forming experience that those children will never forget.

If there is one area that will no doubt fall within the Total Place ambit which has been disappointing over these years, it has been the provision of housing. Following the low priority we gave to that in the early years of government, 10,000 houses are needed in our area in the next 20 years. A number of things will make it very difficult to meet that target—not least the abuse, as I see it, of town and village green applications to thwart planning applications on brownfield sites, a practice that is now widespread but had its origins in High Peak. I commend the Department for Environment, Food and Rural Affairs for trying to address that, but it needs to hurry things up. The attitude of the Conservative party locally and nationally is not helpful, either—saying no to local development and refusing to co-operate with strategic planning for housing provision. It has not been possible to deliver the houses that the 4,000 families on High Peak's council waiting list need, let alone those that the market demands should be provided. We did not sufficiently take the initiative and prioritise housing until it was too late, and that must be a matter for regret.

I think that it is unlikely that when Total Place is spread across the country it will look at the capacity of an area to accommodate ramblers. However, High Peak is the spiritual home of rambling and open access to the

countryside—from the Kinder trespass of 1932 to the establishment of national parks in 1948, of which the Peak District was the first, right through to the Countryside and Rights of Way Act 2000 and my proud moment of attending the opening of the first piece of open-access land created under that Act at Derbyshire Bridge. If rambling is not part of the Total Place process, the national parks will be, and the needs of isolated communities must be taken into account. Too often, places such as High Peak have not had the help that they need, not because there is no deprivation but because the pockets of deprivation have been too small to register for Government schemes.

I wish to put some substantive points to my hon. Friend the Under-Secretary. When considering Total Place we must ask, "What place?" I guess that the local authority is the building block of Total Place UK, although as I have said, we can also think of it as working at regional level. City regions, which acknowledge that "place" can have different meanings for different purposes, are a rational idea, as is the sharing of chief executives and essential back-office services when two adjacent borough councils with much in common decide to do so. That is sensible. What is not sensible is for two councils not even in the same region, let alone the same county, to form an unequal partnership in which one dominates the other and job losses are concentrated more in one than the other, in which even councillors are not consulted on the extent of the merger and in which it is no longer credible for the two councils to implement separate policies and have separate identities.

Merged in all but name, with only the council chambers remaining nominally independent of each other, that is what we are seeing in the so-called strategic alliance between Staffordshire Moorlands and High Peak councils. It is an unpopular and clumsy arrangement, and covering the area from the south of Barnsley to the south-east of Stoke-on-Trent, it is not fit for purpose. I have nothing against Staffordshire Moorlands—I grew up there—but the merger has gone too far, led by Tory councillors in both areas who know the cost of everything and the value of nothing. My hon. Friend's Department is currently considering the effectiveness of such alliances, and I ask her to examine carefully that example of how not to forge alliances, even where the concept of Total Place must allow for some strategic co-operation between councils.

In High Peak, our local strategic partnership has always allowed the third sector a major voice, often giving it the role of chairing the organisation. Yet in too many LSPs, the third sector—the voluntary and not-for-profit sector—does not get a look-in. What is the relationship between LSPs and Total Place partnership boards? Are they actually the same thing?

My hon. Friend will be aware of pioneering work in the east midlands on public service agreement 16, which is focusing help on those with learning difficulties or mental health problems and those coming out of care or prison. She will be aware that many people are in more than one of those groups. Will she assure me that joined-up government, which is at the heart of Total Place, will build on that good work and ensure that co-ordinated services are focused on those most in need, such as people in the PSA16 groups?

As a way of avoiding and moving away from silo government, will my hon. Friend ensure that the Smarter Government proposals, for greater personal access to information and services using the latest technology, support the Total Place process and are not independent of it? What level of efficiency savings will she regard as showing that the Total Place approach works, and how else will she measure its success? Does she expect it to result in job losses, and is the intention behind more effective co-working between services in each locality to save money through efficiencies, or to provide more and better services for the same amount of money? I hope it is the latter.

I have spent 13 years representing High Peak in this place and seven years working up to it beforehand. It is in my blood and my heart, and there is nowhere better in the whole country to breathe than the top of Mam Tor or Kinder Scout. It is time for me to move on now and use my experience, and what wisdom I have gained along the way, in other ways. Before I go, I look forward to hearing what my hon. Friend has to say about the inspiring concept of Total Place and its possible impact on my totally inspiring constituency.

10.23 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): I congratulate my hon. Friend the Member for High Peak (Tom Levitt) on securing this debate. He is a friend in the House and outside, and I commend his enthusiastic dedication to his constituents and his constituency, which, as we could tell from his speech, he knows well and has served well for many years. I know that, like me, he is standing down at the general election, and he will be very much missed both in the House and in High Peak. I wish him well in his new life. First, though, back to the old life for a moment, but to an interesting and crucial part of it—Total Place.

Like my hon. Friend, I am passionate about Total Place and feel that it brings a long overdue overhaul of how and where public money is spent, and how we can spend that money to best effect. It identifies blockages that prevent change and create barriers, particularly funding barriers, which have for so long proved to be such big stumbling blocks to reform of government at all levels. I am glad that local government is the most open of all levels of government to Total Place, but it will eventually move right through the system, to regional and central Government.

Before dealing with Total Place in more detail, I should like to address the sharing of chief executives and back-office services by councils, which my hon. Friend mentioned. I understand his concern that such arrangements could lead to unequal partnerships, with one council dominating the other. However, an arrangement has been put in place by agreement between High Peak and Staffordshire Moorlands councils and their leaders, who are committed to making it work. I understand that there is a feeling that some of the political members have been marginalised, which I regret, but it is for the councils themselves—quite rightly—to make such arrangements, which are part of a growing trend in English local government and a quest to develop innovative approaches to service delivery at the same time as maximising operational efficiencies and savings. The overriding aim of the trend is to improve the efficiency and effectiveness of the services being delivered to residents.

Tom Levitt: I spoke of inequalities. When the two middle management tiers were merged, every single job loss was in High Peak, and the number of new jobs for High Peak in the future jobs fund bid from the two councils was only two. That is what I mean by the discrepancy and inequality between the two councils. How can one group of middle management deliver two contrary sets of policies in the two council areas, should the electorate decide that one of the councils should have a different type of political leadership?

Barbara Follett: I completely understand my hon. Friend's concerns, but he puts me in an impossible position, because the Government rightly do not interfere in the decisions that are taken at local government level. Local government is accountable for such decisions, not to central Government but to electorates and the auditors. Although I understand his concerns, they must be taken up by the electorates in High Peak and Staffordshire Moorlands, particularly, by the sound of it, in the former. I note what he says and we must learn from the experience for future Total Place activities, as Total Place is not a pilot but an action.

As my hon. Friend says, Total Place brings together all public service providers to look at how public money is spent in an area and to ask hard questions about the best use of it. The partnerships include primary care trusts and police authorities. I am happy to see that that is working in High Peak, and I was very taken by my hon. Friend's descriptions of the work done by people such as Lee Baker and Janet Birkin. They are the very stuff of the English local government system, and without them our country would be a much poorer place.

My hon. Friend asked about the relationship between local service partnerships and Total Place partnership boards. The Total Place initiative builds on the LSP approach. Total Place pilots have developed governance structures that reflect the policy areas that they have been considering. They can involve chief executives and leaders from each local authority, primary care trusts, Jobcentre Plus, the police and other partners in the LSP, but they can go further and include organisations from outside the LSP, such HM Courts Service.

Local government is embarking on this from a position of strength. The Government's recent White Paper "Smarter Government" set out our commitments, on which we will report at the time of the Budget. The door remains open for radical shifts in service delivery. As my hon. Friend rightly pointed out, Total Place is not an exclusive club, and councils and their partners need not be formally part of the pilot initiative to consider how the approach could benefit their areas. It is crucial for those running pilots, and others, to remain ambitious in their thinking.

I thank my hon. Friend for highlighting the work done in the east midlands on PSA16. I assure him that Total Place will build on that excellent work, and will ensure that co-ordinated services remain focused on delivery of the best possible outcomes for the area.

Both Smarter Government and Total Place are intended to improve service delivery at local level, and improving citizens' access to information and services through the use of new technology is a key part of achieving those goals. Someone who knows that £7.5 billion of public money is being spent every year in a city such as Birmingham is empowered to identify how it is being spent and where there is duplication. I believe that making such detailed information publicly, easily and comprehensively available is key to the massive reform movement that is taking place. Streamlined contact between different providers and service users is another key theme.

My hon. Friend asked what was the aim of more effective collaboration between services in each locality. The Total Place approach involves moving away from protection of territory and budgets and persuading people to work together and, at times, to switch resources between different providers. That cuts out duplication, waste and bureaucracy, and saves not just time but money and effort. Some of the money runs into millions of pounds, which can be reinvested. It is designed to improve people's experience of services, and to make those services genuinely seamless.

It is encouraging to learn that Total Place is already taking root so well in High Peak, and I look forward to its taking root at regional and Whitehall level. It is a radical model and one on which I hope we can build, particularly in the area of housing. I am glad that council properties in High Peak—

10.35 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Tuesday 23 February 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Midwives

1. **Mr. Philip Hollobone** (Kettering) (Con): What his most recent estimate is of the shortfall in the number of midwives employed in (a) Kettering, (b) Northamptonshire and (c) England. [317471]

The Parliamentary Under-Secretary of State for Health (Ann Keen): As of September 2008, there were 143 qualified midwives at the Kettering general hospital foundation trust and 161 qualified midwives at the Northampton general hospital NHS trust. It is, of course, the responsibility of trusts locally to ensure that appropriate midwifery services are provided. There are more than 25,600 midwives in the NHS. Trusts met the Government's commitment to recruit an additional 1,000 midwives a year early and are on target to recruit 4,000 extra midwives by 2012.

Mr. Hollobone: There is a shortage of seven midwives at Kettering general hospital, which is actually very good compared with the shortage nationally. However, the real problem is the shortage of band 6 midwives—the more experienced midwives. As a result of the shortage, newly qualified trainees entering the system are not undergoing the preceptorship that they are meant to receive. What will the Minister do to address that problem?

Ann Keen: The hon. Gentleman asks a very important question. At the same time as recruiting and retaining midwives, we are also looking at how we can retain experienced midwives by offering a more flexible approach to work and through working in teams. That is the way forward, and I am pleased to say that the vacancies at Kettering should be filled—I am led to believe that 12 candidates are now ready to be interviewed for the remaining six positions. We are also working closely with the Royal College of Midwives on the preceptorship.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): Maternity services in Milton Keynes are currently being monitored by the Care Quality Commission following a second damning coroner's report on a neonatal death in Milton Keynes. There seems to be a particular problem with recruiting midwives. Can the Minister point Milton Keynes to good practice elsewhere, to enable it to be more effective at recruiting the midwives for whom it does have funding?

Ann Keen: My hon. Friend points out that the funding for the posts exists. In fact, nationally there has been a 38 per cent. increase in the number of student midwives, so we are hopeful that we will reach our target. However, I would ask her to work with the trust and the Royal College of Midwives, and I would be happy to meet her and explain in more detail our programme of events for retaining midwives.

Anne Milton (Guildford) (Con): The Minister has not really explained where the extra 4,000 midwives will come from. The Government's own projections show that there will be an increase of only 1,000, but a 2009 memorandum on public expenditure states that between 2008 and 2012 an extra 1,500 will graduate each year. Yet the same memorandum projects about 1,800 new graduates a year. On my reckoning, that leaves us 3,000 short. Perhaps she can explain exactly where those 3,000 will come from.

Ann Keen: I am glad to explain that to the hon. Lady. As mentioned in previous answers, we have been working most successfully with the Royal College of Midwives on a recruitment returners project. Actually, we are led to believe that a 38 per cent. increase in the number of students will deliver the target of an extra 4,000 midwives by 2012, and we are on schedule to achieve that. The extra money that has gone into midwifery has proved to be very successful, and of course we have made maternity services a priority, which is reflected in the latest NHS operating framework.

Ms Sally Keeble (Northampton, North) (Lab): Is my hon. Friend aware that in Northampton there has been a particular increase in the number of babies born with special needs and that case conferences are needed because of child protection issues? Will she recognise that that is putting pressure on maternity services and will she support the primary care trust in looking into the reasons for that and in providing the support for the care needed for those babies with complex needs?

Ann Keen: My hon. Friend asks about neonatal intensive care and the care of high-dependency babies. In the latter part of last year, we issued a new toolkit to enable PCTs to manage staff and situations better. Again, this is about retaining staff in a highly stressful area.

Reciprocal Health Care Agreement

2. **Sir Nicholas Winterton** (Macclesfield) (Con): For what reasons the reciprocal health care agreement with the Isle of Man is to be ended; and if he will make a statement. [317472]

The Secretary of State for Health (Andy Burnham): The Government decided to end their bilateral health care agreement with the Isle of Man on 31 March 2010, because it no longer represents value for money. Tourists will continue to receive free accident and emergency treatment but will now be expected to have insurance to cover the cost of further treatment.

Sir Nicholas Winterton: I am obviously grateful to the Secretary of State for that factual response. However, clearly he will be aware that the Isle of Man is a Crown dependency, that the reciprocal health care agreement has been in place since 1948 and that the Government's decision to end it at the end of next month was an arbitrary one without consultation. Has he given any thought to the impact on hospitals in the north-west of England, which could be affected by the decision, and to the position, in particular, of elderly people who go in their retirement to the Isle of Man and will be placed in financial difficulty when it comes to their health care?

Andy Burnham: I am aware that we are talking about a long-standing agreement, but I hope that the hon. Gentleman would accept that it relates to a different time, when lots of people from the north-west travelled to the Isle of Man for their holidays. The numbers travelling now are around half what they were in the '40s, '50s and '60s of the last century, so there is no longer any basis for the agreement as it stood. I am sure that he would agree that, right now, I have to look at securing the maximum value for money from every piece of Government expenditure. However, I hear the concern that has been expressed by those in all parts of the House, so I will keep the matter under close review, as I said to the Chief Minister of the Isle of Man when I met him on 19 January.

Jane Kennedy (Liverpool, Wavertree) (Lab): Does my right hon. Friend agree that the success or otherwise of the reciprocal health care agreement with the Isle of Man has depended on the excellence of the hospital care available, particularly in Liverpool? Will he undertake to do everything in his power to advance the building projects at the Royal Liverpool University hospital and Alder Hey in particular, as there is some anxiety about whether we will see decisions on either in the near future?

Andy Burnham: I am certainly aware of the long historical ties between the Isle of Man and Merseyside, given my roots. I also congratulate my right hon. Friend on the ingenuity of her question, in mentioning the Royal Liverpool. There is a flow of patients from the Isle of Man to this country and vice versa, and we hope that that will continue. The Royal Liverpool is a crucial project of great significance for health care and the economy in Merseyside and the north-west. I would like to make progress on it shortly, but I am not in a position to make an announcement today.

NHS London (2012 Olympics)

3. **James Duddridge** (Rochford and Southend, East) (Con): What discussions he has had with the Minister for the Olympics on the preparedness of NHS London for the London 2012 Olympics; and if he will make a statement. [317473]

The Minister of State, Department of Health (Mr. Mike O'Brien): The Department of Health has been working jointly with NHS London, the London Organising Committee of the Olympic Games and Paralympic Games—LOCOG, as I understand it is known—and the Government Olympic Executive to ensure that the NHS will be fully prepared for the 2012 games.

James Duddridge: How does the Minister reconcile those comments with those of Azara Mukhtar, the deputy director of NHS London, who said at a recent meeting that

"additional funding was not going to be forthcoming to support the commitment to offer free healthcare for those participating in the 2012 Olympics,"

and that there were therefore serious

"concerns about how to resolve the cost and resource implications without diverting funding from services for Londoners"?

Mr. O'Brien: Fairly easily. The Department of Health has provided NHS London with an extra £1.5 million for this financial year, which it has confirmed meets its current requirements. The Department is also in discussions with NHS London authorities on the provision of further funding, and we are going through some figures that they have provided us with. At the moment they look to be figures for a worst-case scenario, but we want to go through the detail and examine what is needed. However, we are certainly clear that the health needs of Londoners will not be compromised and that the health needs of visitors will be met.

Mike Penning (Hemel Hempstead) (Con): But the figure of £1.5 million that the Minister just cited is well short of the £30 million that is the estimated cost to London of putting on the games. Will the Minister publish the information that NHS London has given him, as well as the understanding reached when the games were bid for, about how much they would cost Londoners through the NHS?

Mr. O'Brien: First, the figure that the hon. Gentleman gave is contrary to some of the figures that have been circulated recently, which have actually been larger. NHS London has put forward a figure of £41 million, as a cost spread over four years. That is based on planning assumptions that appear to be based on a worst-case scenario, and were made last summer. We know that there is a good deal more planning work to do, to ensure that we estimate the cost much more carefully and get the figures right, and that we must work with NHS London so that our health care needs are delivered.

Intermediate Care

4. **Mr. Oliver Heald** (North-East Hertfordshire) (Con): What his most recent assessment is of the adequacy of provision of intermediate care in (a) north-east Hertfordshire and (b) England; and if he will make a statement. [317474]

The Minister of State, Department of Health (Phil Hope): In 2009, as part of the prevention package for older people, the Department issued revised intermediate care guidance, entitled "Halfway Home", which strengthens the original 2001 guidance. It is for local NHS and social care commissioners to determine the range of services needed to avoid unnecessary hospital admission, help with timely discharge and prevent premature admission to long-term residential care.

Mr. Heald: I thank the Minister for his reply, but can it be right for the PCT review in north-east Hertfordshire, where we have relatively few intermediate care beds and where home services are relatively undeveloped, to be looking at possibly removing places from Royston

hospital—that is, care bed places that are used currently—and if so, what is the future for all the people using those facilities?

Phil Hope: I understand that a review of intermediate care is being carried out by the hon. Gentleman's primary care trust and the county council. The Friends of Royston hospital and local councillors have been invited to a workshop in March, and the PCT will, subject to various approvals, begin formal engagement with stakeholders about the future of intermediate care in May or June this year. I hope that the hon. Gentleman will take every opportunity, as one of the local Members of Parliament, to make a contribution and give his support to the development of more intermediate care. He might be interested to know that the number of beds has doubled over the past 10 years, and that three times as many people are now benefiting from intermediate care. I hope that that is also true of his own area.

Mr. Parmjit Dhanda (Gloucester) (Lab): It sounds as though some of the changes to the hospital trust in north-east Hertfordshire are similar to those taking place at the Gloucester Royal hospital in my constituency, where four hospital wards are to be closed by 1 April, according to the chief executive of the hospital trust. This significant change is happening without any prior consultation with MPs or those in the local health community agencies. Will my hon. Friend urge the local hospital trust and its chief executive to consult before making such major changes?

Phil Hope: Of course it is very important that local people—not least my hon. Friend, as the local Member of Parliament—have a chance to make their voices heard in regard to such changes. I urge all primary care trusts and local authorities to look at the guidance that we have issued on intermediate care. It talks about more flexibility in relation to the length of time people can get such care, as well as the need to ensure that people with dementia can have access to it, and the need to include reablement services, which are a critical part of the success of intermediate care. I hope that those messages will go out not only to my hon. Friend's hospital but to every hospital across the country.

Complementary Medicine

5. **David Tredinnick** (Bosworth) (Con): What recent representations he has received on the regulation of herbal medicine and acupuncture. [317475]

The Minister of State, Department of Health (Gillian Merron): We received more than 6,000 responses to the consultation on the regulation of acupuncture, herbal medicine and traditional Chinese medicine. Ministers will receive a report on the analysis next month.

David Tredinnick: I am grateful to the hon. Lady; I understand that she has put in quite a lot of work on this. Given the rejection of the Booth case, which related to mis-prescribing, at the Old Bailey last week, is it not important to bring in this time frame? Secondly, is it not a fact that, in this time of economic difficulty, many Chinese practitioners are desperately seeking statutory regulation to give them a stamp of authority?

Gillian Merron: I understand very well the points that the hon. Gentleman makes. Indeed, the case to which he referred is deeply tragic. I accept that products can be damaging, which is why we are keen to take action. The importance of the consultation is obvious to me. It asks whether we should regulate and, if so, how. I am sure that he will join me in paying tribute to Professor Mike Pitillo—who, sadly, died recently—for the major contribution that he has made to this important area of work.

Alan Simpson (Nottingham, South) (Lab): I congratulate the officials in the Department on their work on this matter, but does not the Susan Wu case add a sense of urgency to the need for us to grasp the nettle in regard to regulation in a sector in which the practitioners themselves are pushing for a regulatory framework to set standards within which they can operate securely?

Gillian Merron: I understand the sense of urgency that my hon. Friend conveys, but regulation needs to be balanced and proportionate, which is why the consultation is so important. We have to look at public safety, choice and access, but we also need to consider whether regulation is justified, and, if so, what type. We will make a decision as quickly as possible, as soon as the analysis has been received.

National Autism Strategy

6. **Meg Munn** (Sheffield, Heeley) (Lab/Co-op): What progress is being made on preparation of the national autism strategy. [317476]

The Minister of State, Department of Health (Phil Hope): We have held a wide-ranging consultation to develop the national strategy for adults with autism, which has included contributions from an external reference group, adults with autism, service users, family members, staff and many third sector organisations. We have received more than 1,000 responses, and the work is progressing well. I am pleased to say that the strategy will be published in the first week of March 2010—that is, in just a few weeks' time.

Meg Munn: I welcome my hon. Friend's answer, and the fact that the strategy will be published shortly. Will it specifically encourage the development of local specialist teams such as the Sheffield Asperger's syndrome service, which is doing excellent work in diagnosis and the provision of support? He will be aware that the National Audit Office has identified such local specialist teams as providing particular value for money.

Phil Hope: My hon. Friend is right to emphasise the value of specialist teams such as the one that she described. The strategy for adults with autism will include services for those with Asperger's. It will cover [illegible] across the complete spectrum, as we discussed at [illegible]ception that you hosted recently, Mr. Speaker, at which many Members were present. I cannot pre-empt what the strategy will say when we publish it, but we have heard many strong arguments for specialist teams, particularly in relation to diagnosis. There is not just one model—my hon. Friend the Member for Sheffield, Heeley (Meg Munn) cited one in Sheffield, but there are others around the country. I would certainly like to encourage those developments, while also enabling local flexibility so that variations can suit local circumstances.

Angela Browning (Tiverton and Honiton) (Con): Can the Minister confirm that the strategy will incorporate all the recommendations of the National Audit Office report on autism, as promised to the Public Accounts Committee by the Minister's Department and the Department for Work and Pensions?

Phil Hope: The hon. Lady, along with many other Members, played a crucial role in helping to develop the Autism Bill and the autism strategy, so I would like to place on record my thanks to her and other hon. Members. I know that the hon. Member for Chesham and Amersham (Mrs. Gillan) is not in her place, but she was also critical to that process.

We have had a number of discussions about the content of the strategy. The hon. Lady will have to wait until it comes out before I can say what it is, but we have certainly been mindful and supportive of many of the NAO recommendations. The NAO was helpful in highlighting areas to be included in the strategy. If the hon. Lady can wait just a few more days, she will see that we have developed a thoroughgoing response to its concerns.

Derek Twigg (Halton) (Lab): A number of representations have been made to me by the support group in Halton and by parents of autistic children about whether the tribunals that hear the appeals on special needs and the education provision for their children are knowledgeable enough about the needs of children with autism. Within the strategy, will it look to ensure that the people who sit on those tribunals have the knowledge and background to be able to take fair and equitable decisions?

Phil Hope: I just want to emphasise that the strategy is one for adults with autism, although I appreciate that my hon. Friend's question was about the needs of children, statements made to the tribunals and so forth. However, the strategy will address issues connected with transition, when young people move from childhood into adulthood. My hon. Friend raises a key general issue—the training and awareness of professionals whether it is those sitting on tribunals, GPs or others in the system. We are very aware of that, so a key part of the strategy for adults with autism will be to raise general awareness, so that their needs are not overlooked in the years to come.

Sandra Gidley (Romsey) (LD): The consultation document set out five main themes, but I understand that the draft strategy deals only with two of them and repeatedly refers to existing workstreams that could be broadened—an approach that has failed before. The external reference group, which was disbanded in January, responded collectively, raising concerns about that approach, so why did the Government refuse to engage with that important group of stakeholders at such a key stage in the process?

Phil Hope: Chair, we—[HON. MEMBERS: "Chair?"] I apologise profusely, Mr. Speaker, forgive me.

The autism strategy, Mr. Speaker, has been developed in what I see as a co-production; we have worked jointly with a range of organisations, including the external reference group. I recently met the chair of that group to go through key features of the strategy. The external reference group saw the early draft of the strategy, but it has changed quite significantly since then, taking on board many of its concerns. Frustratingly, I repeat that I cannot say any more about it at this stage, as we will publish the strategy in a few days' time. I am absolutely convinced, however, that the external reference group and Members across the Chamber will be pleased at the progress we are making in what amounts to a landmark strategy for this country.

NHS Hospital Trusts (Deficits)

7. **Alistair Burt** (North-East Bedfordshire) (Con): How many NHS hospital trusts in the east of England have reported an anticipated deficit at the end of financial year 2009-10. [317477]

The Minister of State, Department of Health (Mr. Mike O'Brien): According to the East of England Strategic Health Authority, no NHS hospital trusts in the region are currently forecasting a year-end deficit for 2009-10. The overall forecast surplus for the East of England SHA remains at £167 million, but one primary care trust—the Peterborough PCT—is forecasting a year-end deficit.

Alistair Burt: It is about this time of year in previous years that PCTs in financial difficulties have tended to go to their local hospitals to say that they have been overpaid or that there has been over-performance; they demand money back, thus precipitating a sudden unexpected deficit or financial crisis. Can the Minister assure me that no PCT or hospital trust in the east of England is involved in that sort of negotiation and that by the end of the year there will be no such sudden unexpected financial problems?

Mr. O'Brien: I understand that East of England SHA supports Bedford Hospital NHS Trust and Bedfordshire PCT by providing mediation on a number of issues affecting the contract between the two parties. The most significant mediation in respect of payment for out-patient services concerned a payment of £2.5 million to the trust. Such issues do arise, but they are usually resolved by mediation.

Mr. Kevin Barron (Rother Valley) (Lab): That is a great improvement. When the Health Committee produced a report on NHS deficits in 2006, the east of England was one of the four areas in the greatest difficulty, but the money that the Government have put into the national health service has made it possible to smooth out the problems in the area.

Mr. O'Brien: As Chairman of the Select Committee on Health, my right hon. Friend knows a great deal about this subject. There has indeed been an impressive turnaround in financial performance in recent years, culminating in the achievement of a £40 million total surplus by acute NHS trusts in the east of England in 2008-09. The fact that the present Government have invested extra money, rather than cutting money like the last Conservative Government, shows that we are delivering where they failed to deliver.

Norman Lamb (North Norfolk) (LD): Given increasing concern about the potential for deficits in hospital trusts and PCTs in the east of England and elsewhere, what reassurance can the Minister give about the Government's commitment to implementation of the national programme of screening for abdominal aortic aneurysms, which have killed 30,000 men since 2002? I have been told by a vascular surgeon that the financial situation in Norfolk has effectively blocked the introduction of a screening programme there, and that similar circumstances exist elsewhere. Delay will kill more men. What commitment will the Government give to ensuring that screening takes place for men over the age of 65?

Mr. O'Brien: That is a good question. We want to ensure that we deal with screening issues as effectively as possible. The chief medical officer has been considering some of the issues, and I shall have a word with him and report to the hon. Gentleman on his conclusions.

Upper Gastro-Intestinal Services

8. **Mr. Hugo Swire** (East Devon) (Con): What recent assessment he has made of the adequacy of the provision of upper gastro-intestinal services in Devon; and if he will make a statement. [317478]

The Minister of State, Department of Health (Mr. Mike O'Brien): In line with the national improving outcomes guidance, upper gastro-intestinal cancer surgery was moved from Royal Devon and Exeter and Royal Cornwall hospitals and centralised at Plymouth's Derriford hospital on 1 January 2010. All pre and post-operative care for patients will continue to be provided locally.

Mr. Swire: That is as may be, but a constituent of mine says that having volunteered for a trial of a procedure intended to prevent post-operative complications when he was at Royal Devon and Exeter hospital in October 2009, before the move, he has been told that as a result of the move the trial has been cancelled. Can the Minister clarify the position in regard to research and trials in upper gastro-intestinal surgery since the move?

Mr. O'Brien: Some consultants who are carrying out trials involving particular kinds of surgery are reviewing the procedures that they use, and are currently discussing with colleagues how the operations can best be carried out in future. The issues are being examined by the clinicians involved.

Swine Influenza Vaccines

9. **John Hemming** (Birmingham, Yardley) (LD): How much his Department spent on procurement of swine influenza vaccines in the last 12 months; and how many units of vaccine have been procured. [317479]

The Secretary of State for Health (Andy Burnham): As of Friday, the total amount of swine flu vaccine delivered to the UK from Baxter and GSK is approximately 38 million doses. Because contractual negotiations with GlaxoSmithKline are in progress and because of commercial confidentiality clauses in the contract, it is not possible to give a final figure on spend at this stage, but I will update the House in due course.

John Hemming: There were a number of odd developments during the swine flu pandemic—not least the fact that very little effort was put into stopping people coming into the country with swine flu, and the fact that people who had it were prevented from leaving. Is the Secretary of State willing to place in the Library the advice received by the Department that justified their decisions on swine flu, in connection with the vaccine in particular but in connection with other issues as well?

Andy Burnham: I will publish all the advice in due course so that the hon. Gentleman can see why those decisions were made. However, I ask him to cast his mind back to last summer in Birmingham, when there was a considerable increase in the number of cases over a very short period. That was a difficult situation. He must also not forget that there have been 309 deaths from swine flu in England, and that there are still people suffering from it in hospital today.

I believe that we took the right action. We made preparations, and we got the country through safely. We minimised the amount of disease and suffering as best we could. We will now learn the lessons of the decisions that were made, but I believe that we made the right decisions at the right time.

Mr. Brian Jenkins (Tamworth) (Lab): Does my right hon. Friend agree with many in this House that "You're damned if you do, and you're damned if you don't," and that we must always err on the side of the safety-first approach of making sure we have sufficient vaccine, if we can possibly procure it, for our citizens to keep them safe?

Andy Burnham: I am grateful to my hon. Friend for his question. Many people are being very wise after the event, but last April the situation appeared to everybody to be very different; we had a new virus spreading on a worldwide basis, and we had little information about it—about how quickly it would spread and its severity. In such circumstances, the only prudent course of action is to plan with safety first in mind, of course, but I am sure that when we reflect on these events, we will realise that there are things we might look at again, and ways we might further improve our pandemic planning in advance of any possible future pandemic. However, I think that, overall, the right decisions were taken, and that the NHS coped very well with a difficult situation.

Mr. Andrew Lansley (South Cambridgeshire) (Con): Can the Secretary of State explain why there was a break clause in the contract with Baxter Healthcare, but there was no equivalent break clause in the contract with GlaxoSmithKline?

Andy Burnham: As the hon. Gentleman knows, as part of our planning we had entered into advance purchase agreements so that the UK was able to get swift access to the vaccine in the event of a pandemic. This was a good part of our preparations, and it put us at the very front of the queue internationally for swine flu vaccine. At the time, I do not remember anybody saying that that was the wrong thing to do. There were different arrangements with Baxter and GSK, which then led to different contracts. I am sure the hon. Gentleman would not expect me to go into all the

details of those contracts on the Floor of the House, but I can assure him that at all times we have sought to get maximum value for money for the public while also protecting the public. We are still in negotiations with GSK, and once they are concluded we will be able to come back to the hon. Gentleman and give him a full report.

Mr. Lansley: I am grateful to the Secretary of State, and, indeed, he knows that we called in this House for the establishment of advance purchase contracts for the vaccine and supported the action in implementing that, but we did so on the basis that break clauses would be included in the contracts. The Secretary of State also knows that last summer the question whether there would be a population-wide vaccination programme should have determined whether we were going to procure all the 90 million doses or a smaller amount. With Baxter, we could put in a break clause; with GSK, we could not. That is a fundamental difference between those contracts. Can the Secretary of State explain why there was no such provision in the contract with GSK?

Andy Burnham: The hon. Gentleman is right to say there was a difference between the two contracts. However, the overriding objective that my predecessor had to achieve was to secure enough vaccines to cover the whole population, and that meant having two doses for the population because that was the advice at the time. The hon. Gentleman must now accept that securing that vaccine was the overriding priority and that a contract had to be put in place to secure vaccines on that scale. Of course there are further discussions to be had with GSK to ensure maximum value for the taxpayer, and the hon. Gentleman would expect me to be pursuing those discussions, and we are. However, the first priority was to get enough vaccine to cover the whole population, and, of course, any commercial company needs sufficient security if they are to sign a contract of that kind.

Mr. Lansley: The Secretary of State has still not explained why what was okay with Baxter Healthcare for 30 million doses was not okay with GSK for 60 million doses. Ministers have today announced in a written ministerial statement that they are transferring £200 million from the Department of Health's capital budget to its revenue budget to meet the costs of the commitment on pandemic flu, of which the procurement of this vaccine will be a major part. The Secretary of State says he has 38 million doses; we have used 5 million. What will be the total cost of the procurement of these vaccines, and what capital projects will be cut back now in the NHS to pay for that?

Andy Burnham: May I gently caution the hon. Gentleman about being wise after the event? In proceeding on this, we communicated with him at all times. We explained the actions we were taking, and we took those actions in good faith at all times. May I also remind him that although we have secured a surplus, the H1N1 strain is likely to replace seasonal flu as the main strain this year?

We will continue to have a need for this vaccine, so we will announce in due course the arrangements that we are putting in place to ensure that we have sufficient stock. He will know that the chief medical officer's advice to the at-risk groups is that they continue to accept vaccination because, although the second wave has ended, there could be a third wave later in the year. For all those reasons, we will proceed with caution. However, when we have concluded the negotiations with GSK we will set out exactly what we have done, so that the House can see the decisions we took and why we took them.

Overseas Patients (Costs)

10. **Mr. Peter Bone** (Wellingborough) (Con): How much money his Department recovered from other EU member states for treatment of their citizens in the UK in the latest period for which figures are available. [31748]

The Minister of State, Department of Health (Gillian Merron): In 2008-09, the UK received slightly more than £33 million from other member states. Given the nature of the process, payments are frequently made several years in arrears, so that figure does not represent the cost of health care, nor claims made in any one year.

Mr. Bone: I thank the Minister for that answer, but it is extraordinary: we pay our European Union colleagues more than £630 million each year for treatment provided to British citizens abroad, yet—I think she said this—we claim back only about £30 million for treatment provided to EU citizens in this country. Why?

Gillian Merron: The question I answered did not relate to moneys claimed, and perhaps it would be helpful if I were to explain further. The figures are not directly comparable because, for example, about 171,000 pensioners who are UK citizens live in Spain, France and Ireland—it is right that we are responsible for their health care—whereas only 5,000 registered pensioners from member countries live in the UK. I can assure the hon. Gentleman that the average payment per UK citizen who lives abroad is about £3,225 whereas the amount we claim per citizen from other member states is about £3,369.

Mr. Denis MacShane (Rotherham) (Lab): Is it not a fact that many more British citizens live in EU member states than Europeans live here, and that they tend to be older and not at work, whereas the younger European citizens are working here? Thus, it ill behoves the Conservative party, despite its loathing for Europe, to bring this up with a xenophobic tone such as we have heard from those on the Conservative Benches.

Gillian Merron: It is true that we have responsibility for about 220,000 UK citizens who choose to live in other EU member states. The House might be interested to learn that from May new EU regulations will come into force that will speed up the reimbursement and claims process. That will be of benefit to all member states.

Mark Simmonds (Boston and Skegness) (Con): I must press the Minister further on her response to my hon. Friend the Member for Wellingborough (Mr. Bone). Despite considerable immigration into the UK in the past decade or so and according to Government figures, the amount that the UK is claiming against EU member states is less than 10 per cent. of the net UK payment to

member states. Is she confident that these figures are comprehensive and complete? Could she explain why the Government are failing to reclaim 20 per cent. of the taxpayer's money owed by these countries?

Gillian Merron: There is no failure to claim. */Interruption./* Because I am not that well qualified as an accountancy adviser.

Accounts are resource based, and if we look at those accounts—they are being referred to—we find that they do include money or claims yet to be received. I hope that the House will also be interested to learn that we have recently negotiated a deal with the Irish Government to reduce the UK liability by some €87 million over three years, and we will be reviewing our agreement in order to provide further savings. I hope that the House will welcome that progress.

Maternity Services

11. **Angela Watkinson** (Upminster) (Con): What recent assessment he has made of the capacity of local hospitals in (a) Havering and (b) England to meet the demand for maternity services. [317481]

The Parliamentary Under-Secretary of State for Health (Ann Keen): It is the responsibility of the local NHS to improve access to safe services and to improve outcomes for mothers and babies. In 2008, the Healthcare Commission published "Towards better births: A review of maternity services in England", which assessed the quality, capability and efficiency of maternity services in England.

Angela Watkinson: Queen's hospital in Havering caters for 7,000 births a year, with the overflow going to King George hospital in Goodmayes. NHS London is proposing to close the maternity service at King George and transfer another 3,000 births a year to Queen's in Havering. Does the Minister share my concern that when Havering is over capacity, which it undoubtedly will be, new mothers will have to travel much further afield? Should the maternity service at King George not be retained and kept open?

Ann Keen: I thank the hon. Lady for the way she asked her question. She will of course be aware that the birth rate in north-east London is higher than that in the rest of the country and is expected to continue to rise over the next few years. That will put increasing pressure on maternity and newborn care services. I know that the aspect of service at King George that was mentioned is being clinically considered at the moment. That is all that will happen—it is way before any consultation process will even commence. Barking will open this summer, and that will also make a difference. I am fully aware that the clinical needs and safety of mothers and babies at all times must be taken into account.

Health Care Costs

12. **Mr. Virendra Sharma** (Ealing, Southall) (Lab): What steps his Department is taking to support people who require assistance with the cost of health care to enable them to continue living in their own home. [317482]

The Secretary of State for Health (Andy Burnham): NHS continuing health care may be available to help people to continue to live in their own home if they are assessed as having a primary health care need. Going forward, providing more care in the patient's home can improve convenience, quality and value for money—for instance in areas such as renal dialysis—and there are more savings to be made from closer integration of health and social care.

Mr. Sharma: I thank the Secretary of State for his reply. Enabling people to continue living in their own homes when they need care is a crucial part of developing a national care service. Does the Secretary of State agree that to create a national care service will require a consensual and non-party political approach, which the Opposition seem unable to comprehend?

Andy Burnham: I said when we published the Green Paper last year that I was seeking broad consensus on this issue and that remains my objective. It is one of the biggest issues that we face as a society, and I think that the country is looking to politicians to work constructively towards a durable solution. Before we leap to criticise each other, we need to focus on the fact that there are people today in all our constituencies paying the cruellest taxes of all—the costs of care that mean that the more vulnerable people are, the more they pay. A national care service will create a national entitlement and end the local lottery in which councils set different rules. The principle of a national care service has been widely welcomed, and I call on all sides to help us to make it a reality.

Miss Anne McIntosh (Vale of York) (Con): The Secretary of State will be aware that North Yorkshire is going down the path of allowing people to remain in their own homes. What does he say to GPs who will say to the Department that in rural areas such as North Yorkshire it is very difficult for carers to visit and deliver care to as many homes as they might in urban areas? That is a great challenge that we face in delivering personal care in people's own homes.

Andy Burnham: I certainly agree and the hon. Lady makes an important point. The different geography and demography of local communities mean that home care will be more suitable in some areas than in others. However, in an area such as North Yorkshire, I think that telecare will have an important part to play in ensuring that people can be monitored daily without their having to travel to a clinic or hospital. There is great potential in this field, although of course it must be a local decision. It must not be imposed on people but, where people want it, it can be convenient for the public and can provide value for money for the taxpayer.

Information Services (Sight Impairment)

13. **Miss Anne Begg** (Aberdeen, South) (Lab): What steps his Department is taking to provide information in a form accessible to blind, partially sighted and print-disabled people. [317483]

The Minister of State, Department of Health (Phil Hope): The Department of Health takes its responsibilities under the Disability Discrimination Act 1995 seriously.

including helping people to access printed material. All Department of Health publications are published on our official website in the most accessible electronic format available with technology that can, for example, read aloud what is written. We also make publications available on request in Braille, audio, large print and other formats.

Miss Begg: The DDA notwithstanding, it is still difficult for individuals to access their health information via accessible formats, and it is not always working on the ground. Does the Minister accept that health information can be very sensitive and that it is wrong that people who are sight impaired should have to depend on relatives, and sometimes strangers, to help them to access that information?

Phil Hope: I totally agree. It is wrong for the NHS not to provide information in alternative or accessible formats for people who are blind or partially sighted. My hon. Friend will be pleased to know that the Department has issued guidance to every GP practice, primary care trust and strategic health authority to support service improvements. It will include guidance on improving the experiences of people with sight loss in receiving health care and advice.

Mark Pritchard (The Wrekin) (Con): Will the Minister consider the merits of transferring the money that is currently spent on translating documents into foreign languages to ensuring that more documents are translated into and are available in Braille? He will know that people can learn English, but that people who have no sight cannot just see instantaneously.

Phil Hope: I understand the hon. Gentleman's point. It is a challenge for all health care providers to ensure that such service users can access and use services by gaining access to written material. That is a matter for local decision making, but I hope that local providers will consider the needs of local populations and ensure that people from all communities can access the information that they need in a format that is suitable for them.

Cancer Operations

14. **Ms Angela C. Smith** (Sheffield, Hillsborough) (Lab): What the average waiting time was for operations for cancer in the latest period for which figures are available. [317484]

The Parliamentary Under-Secretary of State for Health (Ann Keen): In the latest period for which statistics are available, 98 per cent. of patients started their first treatment within 31 days of being given a cancer diagnosis. Some of those patients will have benefited from the two-week wait, the 62-day standard and the new waiting time commitments in the cancer reform strategy.

Ms Smith: I thank my hon. Friend for her response. Does she agree that it is now critical that the Government should proceed to implement the promised guarantee that patients will see a cancer specialist within two weeks? That is what the country expects and wants.

Ann Keen: I thank my hon. Friend for making that point, because that is of course the case. We have used this year's operating framework to ask all primary care trusts to examine GP practice and use of the two-week referral pathway. From 1 April this year, there will be a new right in the NHS constitution for patients to be seen by a cancer specialist within two weeks of urgent GP referral.

Topical Questions

T1. [317496] **Harry Cohen** (Leyton and Wanstead) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Andy Burnham): Today the Government are launching their consultation on a strategy for treating chronic obstructive pulmonary disease, which is the UK's fifth largest killer. The strategy seeks to improve diagnosis and treatment of the condition, which affects more than 3.2 million people in England. Tomorrow we will publish the independent inquiry by Robert Francis QC into failures at the Mid Staffordshire NHS Foundation Trust. On Thursday, we will hold the first dignity action day.

Harry Cohen: I welcome the strategy on COPD, but let me return to cancer. The Secretary of State will be aware that the incidence of cancers is higher than average in parts of north-east London such as my constituency. That is the case for prostate and bowel cancers. What significant plans do the Government have to improve early detection, treatment and care for those who are most affected?

Andy Burnham: Waltham Forest was one of the early adopters of the Government's bowel cancer screening programme, ahead of national implementation. We take these matters incredibly seriously, and, as my hon. Friend will know, we have extended the bowel cancer screening programme to men and women aged between 70 and 75.

When we came to government, we set ourselves the objective of reducing deaths from cancer among under-75s by 20 per cent. The latest report from the national cancer director says that we are well on the way to meeting that target, as the figures have come down by 19.3 per cent. We hope that we can make further progress, and my hon. Friend is absolutely right to say that this issue is a top priority for the Department and the Government. Going forward, we will have a one-week entitlement to tests for suspected cancers, because we believe that early diagnosis is absolutely fundamental to cutting premature deaths from cancer.

Several hon. Members *rose—*

Mr. Speaker: Order. May I remind the House that during topical questions, quick-fire questions and answers are required to enable me to maximise the number of people who can participate?

T2. [317497] **Paul Rowen** (Rochdale) (LD): Primary care trusts in the north-west currently have a year-to-date deficit of £15.3 million. Will the Secretary of State tell us, or give us a guarantee, that important services to patients will not be sacrificed in trying to reduce those deficits?

The Minister of State, Department of Health (Mr. Mike O'Brien): We have made it very clear that managers need to focus on ensuring that they deliver the best

quality of care. The issue of finance comes second to quality. I can assure the hon. Gentleman that managers have been given that very clear guidance.

T5. [317500] **Mr. Eric Illsley** (Barnsley, Central) (Lab): Last year, a constituent of mine paid £4,000 for a private operation that she required to save her sight. A few months later, the operation was made available on the NHS by the National Institute for Health and Clinical Excellence. My constituent has obviously lost out. Will the Minister look again at the NICE appraisal system, and improve its transparency and speed of decision making, to avoid this situation in future?

Mr. O'Brien: I agree that transparency is important in all aspects of NICE's work. Full details of its forward work programme are readily available on its website, wherever possible accompanied by expected publication dates for specific pieces of guidance. NICE consults publicly on each piece of draft guidance before making a recommendation.

Robert Key (Salisbury) (Con): Do Ministers agree that the work of the Health Protection Agency Centre for Emergency Preparedness and Response at Porton Down is absolutely crucial to the security of our country? In view of the work that that extraordinary organisation has done on swine flu and vaccinations, why on earth are they proposing to move it? Not only does it do research into the most dangerous pathogens that might afflict our country, but it puts practical science to work in making vaccinations against them. Why are Ministers proposing to move the establishment and its pathogens to Harlow in Essex?

The Minister of State, Department of Health (Gillian Merron): I can assure the hon. Gentleman that no final decision has been taken, and I certainly share his views about the excellent work done by his constituents and others at Porton Down. I also understand that he had a very useful meeting to discuss the future there. I know he will understand that the HPA has to look at all options to further and develop the very important work being done for the future.

Hugh Bayley (City of York) (Lab): Since 2003, the median waiting time for in-patient treatment at York hospital has fallen from 15 weeks to five. Does the Minister agree that setting targets for waiting times has helped to bring them down and that abandoning the targets, as the Conservatives suggest, would cause waits to increase?

Andy Burnham: My hon. Friend will know that at the last election we set a challenge for the NHS to ensure that no patients waited longer than 18 weeks, other than those who opted out for clinical reasons or by choice. We have made amazing progress towards that goal. The NHS has risen to the challenge and 18 weeks is now the outside, with many patients being treated, as he says, on a much shorter timetable. In my view, removing the target would bring about the return of differential waiting standards across the country—what the public would describe as postcode prescribing or a postcode lottery. We will enshrine the right to treatment within 18 weeks in the NHS constitution as a patient guarantee.

T3. [317498] **Mr. Peter Bone** (Wellingborough) (Con): I am bearing in mind your stricture, Mr. Speaker. Will the Secretary of State rule out a death tax? A simple yes or no will do.

Andy Burnham: We published a Green Paper and are looking at all the options for building a lasting consensus on this issue, which is one of the most important facing the country. We would welcome Opposition Members rejoining the search for a national consensus, rather than making cheap points at Health questions today. It is a complicated issue that deserves a considered approach. I do not believe that making cheap remarks like that will help.

Dr. Howard Stoate (Dartford) (Lab): To ensure that GPs maintain their clinical skills, they undergo appraisal every year. Starting from next year, of course, that will lead to reaccreditation by the General Medical Council, but unfortunately the NHS appraisals toolkit has gone offline at the critical time in the year when GPs need to get their appraisals sorted out. Will the Minister make a statement to the House on where we are with that website, so GPs can be reassured that their skills will be tested in the right way and in due time?

Mr. Mike O'Brien: It was found that the toolkit had the potential to be compromised. We therefore took the view that it needed to be examined properly and in effect repaired, to ensure that it cannot be accessed by hackers. Work is now ongoing: it is on schedule at the moment, but I will keep GPs and my hon. Friend informed about its progress.

T4. [317499] **Mr. Hugo Swire** (East Devon) (Con): Following a seminar on Lyme disease that I hosted in the House in October 2008 and a question that I raised in the House in December 2008, the Under-Secretary of State offered to host a meeting about Lyme disease. I followed that up with three telephone calls to her office and one letter. Given the fact that there has been an increase of 90 per cent. in cases of Lyme disease since 2006, what kind of message are the Government trying to send to people suffering from the disease?

The Parliamentary Under-Secretary of State for Health (Ann Keen): I remember the debate and the request. On my return to the Department, I shall enquire what is happening.

Mr. Gordon Prentice (Pendle) (Lab): Am I the only one here to be concerned that primary care trusts are to lose their role as direct providers of health services?

Mr. Mike O'Brien: We want to ensure that primary care trusts are the main way that patients ensure they get the services that they deserve. Sometimes it is better to ensure that those services are provided by organisations with which the PCT can act at arm's length to supervise properly and ensure that they are acting on behalf of the patient and the taxpayer.

T6. [317501] **Mr. James Gray** (North Wiltshire) (Con): The Secretary of State has often talked about phasing out car parking charges at hospitals like the Royal United Hospital Bath and the Great Western hospital, which serve my constituency. On the face of it, that is

perfectly welcome. Will he tell us how that will be funded without cutting into front-line medical services, and how that will result in more parking spaces, which is what we need?

Andy Burnham: A consultation on our proposals to change car parking rules in the NHS closed last week. I hope the hon. Gentleman found time to contribute to that. The proposal is to phase out charges for in-patients. I believe it is unfair that people should not receive visits while they are in hospital from those who cannot afford the charges. The introduction of charges symbolised the NHS moving away from the patient and the public. If we can come up with a workable and fundable scheme, I believe it will be widely welcomed by patients and the wider public.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): Are my constituents in Biddulph right to be concerned that, owing to design delays, their Biddulph health centre could become the victim of NHS capital funding cuts if the Conservatives were to win the general election?

Mr. Mike O'Brien: I am afraid my hon. Friend will have to have discussions. I understand that the newly elected Conservative Staffordshire county council pulled the library out of the project at Biddulph and as a result there have been delays. If a Conservative Government were elected, I would be very fearful about the likelihood of any such project getting consent.

T7. [317502] **Tony Baldry** (Banbury) (Con): What are Ministers doing to ensure that money which has been earmarked for PCTs for respite care for carers is getting to carers for respite care?

The Minister of State, Department of Health (Phil Hope): The hon. Gentleman and others have raised this issue. As part of the national carers strategy the Government have placed more than £150 million in primary care trusts' budgets to ensure that those primary care trusts could complement the money that we have given to local councils—some £720 million over the past three years—to provide respite care. The combined funding to the PCTs and to local councils for respite care is some £975 million last year, this year and the next. It is a matter for local decision making to assess local needs, but I hope that the hon. Gentleman and others will ask their primary care trusts and their local authorities to do better in delivering the resources that the Government have allocated to provide respite care for carers, who do such an important job in the community.

Rob Marris (Wolverhampton, South-West) (Lab): Is the proportion of hospital trusts with anticipated deficits greater among those with significant private finance initiative funding than among those that wisely avoided significant PFI, such as the well managed and solvent New Cross hospital in Wolverhampton?

Mr. Mike O'Brien: That is an interesting question. I will have to look up the detail. However, PFI has brought forward a series of projects and enabled us to undertake the redevelopment of more than 100 hospitals so that we now have a better health service with more modern hospitals than we have ever had in the history of the country. That is the result of the investment provided by the Labour Government.

T8. [317503] **Simon Hughes** (North Southwark and Bermondsey) (LD): If national health service funding is meant to be allocated to trusts locally according to need, and if wards such as that which I visited in St. Thomas' hospital at the weekend are clearly overstretched, why was Southwark primary care trust top-sliced? Six million pounds was taken back three years ago; it was told that another £8 million of its proper allocation would have to be taken back in the coming year; and it was threatened with more money being taken away from what it is told it needs.

Mr. Speaker: Order. I am trying to help hon. and right hon. Members, but I need them to help me to help them—with short questions and short answers.

Mr. O'Brien: NHS London is well funded, and we want to ensure that it delivers for patients throughout London, including those at St. Thomas' hospital.

Mr. Stephen Hepburn (Jarrow) (Lab): The waiting list on south Tyneside for treatment by an orthodontist is more than three years, and 600 people are on the waiting list. The wait will be reduced to six months, because a new contract is being entered into, but achieving that will take three years. Will the Minister look into the situation and help?

Ann Keen: I would be very happy to look at that and see what we can do to speed things up.

T9. [317504] **Michael Fabricant** (Lichfield) (Con): Does the Minister agree that a good way to control binge drinking is to try to highlight and publicise the amount of kilocalories in a drink? Red wine contains 171 kilocalories, alcopops 187 kilocalories and a pint of lager 287—more than the doughnut that I have here, which I just got in the Tea Room. When will the Minister start to publicise those facts?

Gillian Merron: I thank the hon. Gentleman for bringing his snacks into the Chamber. The important point is what is on labels for alcoholic products, and we have just launched a consultation on that very matter. There has been huge success in making units better understood, and I regret the proposal from the hon. Gentleman's party, which is to replace them with something unknown—that is, centilitres.

Jeremy Corbyn (Islington, North) (Lab): North Central London strategic health authority is planning massive cuts, a £500 million reduction in its budget and the closure of A and E departments, including one at the Whittington hospital. Many of us find those decisions unpalatable and wrong, but above all we have great difficulty bringing to account the people who are making those plans and decisions. Will the Secretary of State tell me how we can make those officials accountable to the public for their decisions and planning?

Mr. Mike O'Brien: As I understand it, those reviews are at an early stage and there are no clear and firm proposals. Local clinicians need to be at the heart of those recommendations, and any changes need to, and must, be the subject of full local consultation.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Will the Minister ensure that when GPs in rural practices support community hospitals, no restrictions will be put on their rights to refer patients to those community hospitals?

Mr. O'Brien: GPs will need to work with their primary care trusts to ensure that hospitals referrals are made appropriately. GPs have a broad range of clinical freedoms in order to decide where they want to refer their patients.

Fiona Mactaggart (Slough) (Lab): A number of consultants at Wexham Park hospital have sent me a letter, which I have forwarded to the Secretary of State, expressing their belief and concern that the hospital's accounts were rearranged to ensure that it achieved foundation trust status. Will the Secretary of State look into that question and ensure that the consultants' concerns are responded to as quickly as possible?

Andy Burnham: My hon. Friend raises a serious issue, and I shall of course look into it closely and report back to her.

T10. [317505] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Further to the question that my hon. Friend the Member for North Wiltshire (Mr. Gray) asked, is the Secretary of State aware of the great controversy about car parking at the Queen Elizabeth hospital in King's Lynn, involving the displacement of cars on to quiet residential roads in neighbouring communities? Surely one way forward is for hospitals to charge on exit, rather than on a pay and display basis, so that people pay for the car parking that they use.

Andy Burnham: I know that this issue raises strong feelings throughout the NHS. Indeed, at many of our surgeries it is one of the issues on which we receive most representations. The NHS needs to pay a little more attention to the price and availability of car parking, and that is what I am encouraging it to do.

Martin Linton (Battersea) (Lab): Given the success of the Government's breast cancer screening programme in reducing mortality in London by some 30 per cent. in the past 10 years, and given that breast cancer remains the UK's most common cancer, affecting one woman in nine, will the Minister ensure that there is a continued high rate of research in order to improve the survival rates and quality of life for cancer sufferers?

Ann Keen: That investment in research will continue.

Mr. David Evennett (Bexleyheath and Crayford) (Con): Why are the Government pressing ahead with the closure of small maternity facilities and increasing the size of those that are left when the evidence suggests that smaller units offer better services to expectant mothers?

Ann Keen: At all times the safety of the mother and baby is taken into account. Any discussion in relation to closures or openings is always undertaken with the safety of the mother in mind, and that is done by clinicians.

Speaker's Statement

3.35 pm

Mr. Speaker: Following the decision of the House last night on motion 16, relating to the presentation of public petitions, I am announcing today the new arrangements that will come into operation for petitions presented on Monday 1 March.

The names of Members wishing to present public petitions formally before the daily Adjournment debate at the end of the sitting will now appear on the Order Paper. Accordingly, Members will now need to give notice in person in the Journal Office on the third floor above the Chamber. The deadline for giving notice will be the rise of the House on the previous sitting day. When giving notice, Members will need to have with them the front page of the petition, certified by the Clerk of Public Petitions in the Journal Office.

Just before we come to the daily Adjournment debate at the end of the sitting, I shall call in turn the Members whose names are listed on the Order Paper to present their constituents' petitions. The Member will make a brief statement limited, as at present, to describing who the petition is from and what it is about, and, finally, reading out the prayer that sets out what the House is being asked to do. The Member will then bring the top page of the petition straight from the Member's place to the Clerk at the Table, who will read out the title and hand the top page back to the Member, who will then put the whole petition, with its supporting signatures, into the bag at the back of the Chair.

Members may continue to place valid petitions in the bag behind the Chair in the usual way informally at any time during a sitting of the House. All petitions, whether presented formally or not, are printed in *Hansard*, forwarded to the relevant Select Committees, and sent to the Government Department most closely concerned. Observations received from the Government are also printed in *Hansard*.

The right to petition Parliament is one of our oldest and most cherished parliamentary traditions. The changes that I have announced today will refresh and improve an important democratic mechanism.

Points of Order

3.37 pm

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Mr. Speaker. You will remember that on 9 February, at column 771, we had an exchange about the inadequate answering of parliamentary questions by the Department for Work and Pensions, and you gave me what I thought was very sound advice suggesting that tabling a further question on the Order Paper or raising a point of order on the Floor of the House would concentrate the minds of Ministers. I did indeed do that. Before the recess, I tabled a lengthy question asking when a range of questions—up to 30—would be answered. You can imagine that yesterday, when that question was due for answer, I was not very impressed to receive a further holding answer from the Minister of State. It seems to me, Mr. Speaker, in the light of our exchange and the significant number of unanswered questions, two of which date back to last year, that this is a case of Ministers treating the House with contempt. What may I do to get answers from Ministers given what I have already done?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. Regular attenders at sittings of the House will know that he is persistent and feisty, probably beyond comparison in the House, in highlighting the phenomenon of unanswered questions or those to which tardy replies are given. He must continue to be persistent. I know that no Health Minister—*[Interruption.]* Order. I was going to say that no Health Minister is on the Government Front Bench, but the hon. Member for Hemel Hempstead (Mike Penning) is getting ahead of himself. The Minister of State, Department of Health, the hon. Member for Lincoln (Gillian Merron) is on the Treasury Bench, and she is always a keen listener; I know that she will hear the point that I am making.

Ministers must reply quickly to parliamentary questions, and the replies that are provided must be substantive rather than merely formulaic. They should not be replies along the lines of "I hope to reply as soon as possible." When the hon. Member for Forest of Dean (Mr. Harper) has waited for a period of several days or possibly weeks—this goes for all Members—the Member is entitled to a substantive reply. I hope that it will not be necessary continually to repeat this point. The hon. Gentleman and other Members will be aware that the tracking system means that this information is becoming available for public view, and I have a hunch that he will not wish this matter to remain secret and will probably want to give it the widest possible coverage.

Jeremy Corbyn (Islington, North) (Lab): Further to that point of order, Mr. Speaker. When a Minister gives a holding answer saying that they will write to the Member concerned, how long do you expect that holding answer to last before we get the substantive answer?

Mr. Speaker: It is very difficult to be precise, because—I hope Members will accept the validity of this response—it rather depends upon the terms of the question, how much information is sought and the difficulty and possible cost of obtaining it. However, I say to the hon. Gentleman, whose point of order is helpful, that it should be a matter of only a few days and no more than that. As a

matter of course, I should think it very odd, and frankly worthy of comment and objection, if a substantive question did not receive a substantive answer within, for example, a week. We need a timely exchange. That is what Members expect, and I think most Ministers would accept that it is legitimately required of them.

Miss Anne McIntosh (Vale of York) (Con): On a point of order, Mr. Speaker. Further to your very helpful statement on petitions, which I am sure the House will welcome, may I ask what the position is as regards electronic petitions? Are they to be recorded on the Order Paper or just in the general official record?

Mr. Speaker: That is an extraordinarily good point of order, to which the answer is that a system of the kind that the hon. Lady hankers after does not yet exist; it is a matter of work in progress. She rightly points to the need for further developments, but work is taking place, and I hope that she will content herself today with the holding answer that I have provided. *[Laughter.]* I am very glad that the House is in such a good mood—this is all very encouraging.

Rental Accommodation (Thermal Insulation Standards)

Motion for leave to bring in a Bill (Standing Order No. 23)

3.42 pm

Tony Lloyd (Manchester, Central) (Lab): I beg to move,

That leave be given to bring in a Bill to require providers of rental accommodation to ensure that the accommodation complies with certain minimum standards of thermal insulation; and for connected purposes.

Mr. Speaker, it is—*[Interruption.]*

Mr. Speaker: Order. I should perhaps have said—I think it has now happened—that Members leaving should do so quickly and quietly. I am sure that the House will want to hear the hon. Gentleman's ten-minute rule motion.

Tony Lloyd: I can only concur with your views, Mr. Speaker—Members want to hear this.

It is a rather sad fact that in this country of ours, some 400,000 private tenancies are currently occupied by people who are defined as being fuel-poor—those who spend more than a fifth of their income on the fuel necessary to heat their home. That is largely because those homes are very poorly insulated. It is, I believe, the incontestable view of all that the need to improve the thermal insulation of domestic properties of any kind of tenure is of paramount importance, for obvious environmental reasons such as those related to global warming but also for financial reasons for those who occupy them and for social welfare reasons. It is a matter of practical fact that excess cold puts people's health, and indeed their lives, in jeopardy. We know that more people die during the cold months of the year in this country than in comparable countries, or even in countries with much more extreme climates, because of relatively poor insulation.

The thermal comfort element of the decent homes standard now extends to private housing the same consideration that has historically applied to social housing, but there is a big gap between private housing and social housing, and to an extent between private housing and those in owner-occupation. The problem in the private rented sector is that the private tenant has no capacity whatever to make improvements through investment in insulation and so on, which would allow the thermal efficiency of their property to be improved. But nor, alas, do landlords necessarily have an incentive to improve, at least not in the current circumstances.

As we know, the Government have already made significant steps, which I very much welcome, to bring about a change in the private rented sector. For example, the introduction in October 2008 of energy performance certificates means that all properties will in future have something that tells us how thermally efficient they are regarding insulation. In addition, the Government introduced in 2006 the energy saving allowance, which gives landlords up to £1,500 per property to introduce insulation improvements. However, the problem with that scheme, frankly, is that landlords often do not know that it exists; and even when they do, the incentives are still too small to make a real difference.

[Tony Lloyd]

I strongly welcome the fact that tenants can access the Warm Front scheme in England and the equivalent schemes in Scotland and Northern Ireland. However, that applies only to tenants who directly qualify for such assistance. I also welcome he fact that local authorities have power under the Housing Health and Safety Rating System (England) Regulatiors 2005 to class as a hazard the very worst-insulated properties and to take specific action. However, that happens only in the very worst properties and not, alas, those that are bad, but not so bad as to attract the attention of local authorities.

The "English House Condition Survey 2007" contains some startling statistics. In the jargon—which I am afraid is what this is—of the standard assessment procedure, the efficiency of property insulation is measured on an index from nought to 100, with 100 being excellent. The 2007 survey shows that the value of the housing stock in England increased from 42 in 1996, which was poor, to 50 in 2007, which is in the okay region of operation. That real improvement is because of Government publicity and the activities of social landlords and owner-occupiers.

Social landlords do the best n the survey—spectacularly. Their score on the index is 58, which is a good performance. Alas, for both owner-occupiers and private tenants, the score is still only 48, which is below what we regard as acceptable, and owner-occupiers still have a long way to go. However, there is a significant difference between owner-occupiers and private tenants, namely that the private rented sector, ironically, has a far higher proportion of very well insulated properties. Some 10 per cent. of private tenancies are in the very good category, whereas only 4 per cent. of owner-occupiers are. At the same time, although only 10 per cnt. of owner-occupiers are in the worst categories, some 16 per cent. of private tenants are in conditions in which excess cold is threatening to their health. Some 400,000 people are in such private tenancies, of which 124,000 are described as vulnerable people—either the elderly o: people who have sickness or disability problems that make them especially vulnerable to extreme cold.

The time has come when ve need legislation to move things forward and to incentivse landlords, and sometimes to offer the stick as well as tle carrot. The Bill therefore seeks to do a number of things. It seeks to introduce a minimum thermal efficiency standard, which will say at the beginning that the very worst properties should no longer be in the private rented sector. That standard should progressively move up through the thermal efficiency ratings, so that landlords know that they have an incentive—the stick—to ensure that their properties are improved.

The Bill also seeks to make it illegal to put a property on the private rented market if it can be improved at reasonable cost, even if it is already above the legal minimum as defined elsewhere in the Bill. That says to landlords that if cavity wall insulation, for example, which is relatively cheap in the scheme of things, can be used, it ought to be used. Landlords should be progressively forced to make such improvements. However, we also need the Government to look at incentivising landlords, as well as providing a stick. While it is not part of this Bill, I hope that we will see an extension of the existing scheme to give landlords an incentive to invest in the insulation of their properties by way of grants. We should also consider whether it is possible to reduce value added tax for energy-saving improvements to property.

Many hundreds of thousands of our fellow citizens live in homes that are badly heated. Most of those homes are not simply badly heated because people cannot afford to heat them—although that may well be a significant part of the equation—but because the insulation is grossly inadequate for the purposes of modern living. It is in that light that the Bill is timely, because it will draw the attention of private landlords, their tenants and other agencies to the need to bring those standards up for environmental reasons, for the financial benefit of tenants and, in the end, for reasons of social welfare and health. For those reasons, I commend the Bill to the House.

Question put and agreed to.

Ordered,

That Tony Lloyd, John Austin, Miss Anne Begg, Mr. Ronnie Campbell, Colin Challen, Jeremy Corbyn, Mr. David Drew, Mrs. Linda Riordan and Mr. Paul Truswell present the Bill.

Tony Lloyd accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 30 April and to be printed (Bill 71).

Privilege

3.52 pm

Mr. Andrew Dismore (Hendon) (Lab): I beg to move,

That the Seventh Report from the Joint Committee on Human Rights (House of Commons Paper No. 371) be referred to the Committee on Standards and Privileges.

The Joint Committee on Human Rights met on 9 February to discuss a draft report on the Equality and Human Rights Commission. It emerged at the start of the meeting that Trevor Phillips, the chair of the EHRC, had recently spoken to at least three members of the Committee about its consideration of the draft report and the publication of written evidence with the report. In our view, these discussions could constitute a contempt of both Houses in that they may have been an attempt to influence the views of certain members of the Committee shortly before it considered a draft report directly relevant to Mr. Phillips in his role as chair of the commission. We therefore recommended that the matter should be subject to investigation by the privileges Committees of both Houses, and so I ask the House to refer the matter in accordance with my motion.

3.53 pm

Fiona Mactaggart (Slough) (Lab): I am a recently appointed member of the Committee that has referred this matter to the House for referral to the Committee on Standards and Privileges. As the subject of one of the telephone calls referred to by the Chairman of the Committee and—as far as I am aware—the only Member of this House who received such a telephone call, I felt that I should make my view on this matter clear. It is right that I tell the House that I do not believe that Mr. Phillips has acted in contempt. He wanted to discuss whether the proposed report would be fair because he believed—rightly, as it turned out—that parts of the evidence that the Committee received would be redacted in the final report. I do not know how he knew this, and I did not ask him how he knew this.

The point of privilege is to ensure that Members of Parliament are free to say what they wish, and I wish to assure the House that there was nothing improper in the call or any attempt to interfere with my ability to say what I wished.

Trevor raised two other issues—

Mr. Andrew Robathan (Blaby) (Con): Trevor?

Fiona Mactaggart: Yes, I used his first name. That is usual when having a conversation with someone. For example, were I talking to the right hon. Member for North-West Hampshire (Sir George Young), I would not call him the hon. Member for something, and nor would I call him by his surname—I would call him George. [HON. MEMBERS: "Sir George!"] I would actually call him George, not Sir George.

I raise this point, because I am concerned about the lack of fair process in how the Committee's inquiry was conducted. I was shocked, as a newly appointed Committee member, to discover that this inquiry—the Select Committee's first inquiry into the work of the EHRC since its inception—had no terms of reference. Its only call for evidence was a notice reporting evidence from a group of commissioners who had resigned and inviting short statements in advance of evidence from Trevor Phillips as chair of the organisation. I was able to attend only one evidence session, and I must say that it was more like a show trial of an individual than an inquiry into the work of an organisation.

I was not surprised, therefore, to receive a note from Trevor Phillips, following our telephone call, suggesting that if, as he feared, the report contained inaccuracies and unfair criticism, he would be within his rights to ask that the allegations be made without the cloak of parliamentary privilege. I think that he is right, although, given that the final report has not been drafted, I do not know whether it will be either unfair or inaccurate, and I will do my best, as a member of the Committee, to ensure that neither is the case. I believe, however, that the Standards and Privileges Committee should, as well as considering the report of the allegation of contempt by Trevor Phillips, also ask to see how the Joint Committee on Human Rights worked and consider carefully whether it operated in a way that was proper.

I know that I am not the only Member of the House to feel that the claim of privilege by Members who have behaved in an apparently criminal fashion in relation to their expenses is abusive—

Mr. Speaker: Order. I say gently to the hon. Lady that we must not go down that route, and it would help our proceedings were she to withdraw her last sentence. She can then get on to—or back to—the terrain where she and the House were very safe.

Fiona Mactaggart: I certainly do so, Mr. Speaker.

The overuse of the concept of privilege risks undermining it as an important concept providing a vital freedom for Members of Parliament to say what they need without interference from the courts. If we are to preserve this vital concept, we need to use it well and sparingly, as was advised by the 1966 Select Committee on privileges. To imply that Members of Parliament might be inhibited in their work by a telephone call by someone whose career might be put at stake by a report that they are considering is, in my view, a misuse of this valuable concept.

3.58 pm

Sir Patrick Cormack (South Staffordshire) (Con): I shall not detain the House for long, but this debate raises an important issue. I do not wish to trespass on the investigations to follow shortly from the Standards and Privileges Committee, and I believe that the whole House is in your debt, Sir, for giving this business priority today. The issue of privilege is tremendously important for every Member of the House.

I am glad that the Leader of the House is here—her presence is one of the reasons that I have risen to speak. In 1997, knowing that the issue needed contemporary examination, the Government very wisely set up a Joint Committee of both Houses, presided over by a Law Lord. I had the great good fortune to be asked to sit on the Committee, and a former Leader of the House—now Baroness Taylor—also sat on it. We went into the whole area of privilege in great detail, taking evidence from witnesses not only from this country but from abroad.

We deliberated long and carefully, and we produced a unanimous report that was widely welcomed both inside and outside the House. Again without wishing to trespass

[Sir Patrick Cormack]

on any current issue or possible current issue, let me say that it was important to establish whether we should retain the whole idea of privilege. Our Committee was unanimous that we should retain it, as a vital protection for each and every one of us, and at any time. Having reported to the House and received a favourable response from the Dispatch Box, we hoped very much that our recommendation that there should be legislation on the law of privilege would be accepted and that a proper statute would be laid before the House before too long.

Lembit Öpik (Montgomeryshire) (LD): Does the hon. Gentleman agree that the overwhelming majority of Members use that privilege responsibly? There is a vanishingly small number of occasions on which that privilege has been abused, either for personal interest, or on the basis of vendetta or gossip.

Sir Patrick Cormack: I entirely agree with the hon. Gentleman. Our Committee indeed felt that, on the whole, privilege had been used properly, as it should have been. Nevertheless, we thought that something going back over 300 years deserved a new statute, and we recommended this. The Government responded perfectly favourably. The Opposition also responded favourably, but since then nothing has happened. The report is on the shelves gathering dust. As this Parliament ebbs towards its close, I hope that whoever is the Leader of the House after 6 May or whenever—that is, whoever is in the driving seat as far as Government business is concerned—will persuade the Prime Minister of the day that such legislation deserves priority in the new Parliament.

I shall leave it at that, Mr. Speaker. You have helped us today by giving us the opportunity to have this brief debate, from which I hope will flow a speedy investigation by the Committee to which the matter has been referred. However, I also hope that the wider issue of privilege will not be forgotten, and that we shall have a pledge in the first Queen's Speech of the new Parliament to legislate on the matter.

4.2 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I intervene very briefly in this debate to echo the remarks that my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) has just made. There is one thing that worries me about the process, because I can think of nothing more damaging to the reputation of an individual than to have a paper laid before this House with the words "Allegation of Contempt" on it.

I take privilege very seriously, but like many Members I am not sure what it is about, what its ramifications or wider reaches are, or how it impacts on witnesses or those who take part in Select Committee proceedings. I am nervous about this case, in that there is no notification to witnesses or participants who come forward to assist a Committee in its deliberations that they might be at risk of offending against the privilege of the House by taking the actions that, in this case, Mr. Phillips took. That is my caveat about this case. We are talking about a very censorious process, if the participant or the affected witness is unaware of what privilege amounts to in such cases.

Mr. Speaker: The Question is as on the Order Paper. As many as are of that opinion say Aye—*[Interruption.]* As many as are of that opinion say Aye, to the contrary No.

Question agreed to.

Mr. Speaker: Sorry, the reason for the hesitation was that I had the distinct impression that the hon. Member for Hendon (Mr. Dismore), who has already made his case, was seeking to say something further. He might have been doing so, but I am not aware that there is provision for such; in fact, I was fairly convinced that there was not, and I am reinforced in that conviction by those who know. I therefore hope that the House will rest content.

Mr. Dismore *rose—*

Mr. Speaker: The hon. Gentleman is never to be silenced.

Mr. Dismore: On a point of order, Mr. Speaker. I wanted to respond to the comments of my hon. Friend the Member for Slough (Fiona Mactaggart), by simply pointing out that she was a very new member of the Committee and had not participated in most of the inquiry. Her views might therefore have been somewhat clouded by the fact that she had not heard most of the evidence at first hand, as we had.

Mr. Speaker: The hon. Gentleman is an experienced Member—to be precise, we came into the House together in May 1997—and he is therefore very well aware that that does not constitute a point of order. However, it was an interesting point of debate and he has registered his views firmly on the record.

Children, Schools and Families Bill

[Relevant document: The Eighth Report from the Joint Committee on Human Rights, on Legislative Scrutiny: Children, Schools and Families Bill; Other Bills, HC 369.]

Consideration of Bill, as amended in the Public Bill Committee

New Clause 17

AMENDMENTS OF PROVISIONS ABOUT COMPLAINTS IN ASCLA 2009

'(1) In Part 10 of ASCLA 2009 (schools), Chapter 2 (complaints: England) is amended as follows.

(2) In section 207 (power of Local Commissioner to investigate complaint), in subsection (5)(b) (power not to investigate vexatious complaint), before "vexatious" there is inserted "frivolous or".

(3) In section 216 (law of defamation)—

(a) in subsection (1)(a), after "a governing body" there is inserted "or head teacher";

(b) in subsection (2)(a), after "the governing body" there is inserted "or head teacher".'.—*(Mr. Coaker.)*

Brought up, and read the First time.

4.5 pm

The Minister for Schools and Learners (Mr. Vernon Coaker): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss Government amendment 67.

Mr. Coaker: I welcome Members across the House back to our deliberations on this important Bill. I hope that Opposition Members will recognise that elements of the amendments are a result of our discussions in Committee, and that I have reflected on the points that were made and come back with what I hope are helpful proposals.

As I have said, the new clause and the amendment arise from the debates in Committee. We have listened carefully to hon. Members, and are therefore proposing these important changes, which are designed to clarify the local government ombudsman's role as a provider of redress for the pupil and parent guarantees. New clause 17 will amend the parental complaints system that will form part of the redress for parents and pupils alleging a breach of the guarantees.

During our debate in Committee, many Members raised concerns that from time to time, complaints relating to a school that could serve only to absorb unduly the time and attention of a head teacher and governing body, with no real potential for a beneficial outcome, might be made to the local government ombudsman. In Committee, I provided the assurance that section 207(5)(b) of the Apprenticeships, Skills, Children and Learning Act 2009—the ASCL Act—is already framed so that the ombudsman may decide not to investigate a complaint, or to discontinue it, if he believes that the complaint is vexatious. He will have this discretion with any complaint, including those made in relation to the pupil and parent guarantees.

Having listened to the debate, however, I have concluded that it would be appropriate to strengthen this discretion to provide an even stronger safeguard for heads and governors. So subsection (2) of new clause 17 will amend the ASCL Act to allow the ombudsman discretion in cases where the complaint is "frivolous or vexatious". This will ensure not only that the ombudsman will be able to decide not to pursue complaints that are clearly not in the best interest of parties concerned—vexatious complaints—but also that he has a clearly stated power to decline or discontinue investigation where complaints obviously lack merit or would be disproportionately costly to investigate, given the potential benefits—that is, frivolous complaints. I hope that hon. Members will welcome this change.

Subsection (3) of new clause 17 is a technical amendment extending defamation privilege to head teachers. It amends section 216 of the ASCL Act to ensure that any statement made by a head teacher in correspondence with, or subsequently published by, the ombudsman in a decision does not lead to the ombudsman or head teacher being sued for defamation. This small but important change will enable head teachers to be entirely candid in their views, and permit their evidence to be given and considered more openly, which can only promote the proper investigation of complaints. The amendment merely extends to head teachers the protection that already applies to governing bodies and local authorities under the Local Government Act 1974 or the ASCL Act.

We have made it clear in previous debates on the guarantees that it is not our intention to enable parents and pupils to pursue civil claims through the courts if a local authority, governing body, other proprietor of a school or head teacher does not meet one or more of the guarantees. However, we listened to Members' concerns in Committee—including points raised by the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb)—and we agree that this could be made more plain. The amendment will ensure that this is clear on the face of the Bill.

The amendment refers to "liability in tort", which covers, most importantly, both liability in negligence and liability for breach of statutory duty. It will put beyond doubt that parents and pupils will not be able to pursue claims for damages through the county courts based on the individual guarantees in the document. It is, of course, right to say that parents and pupils already have a number of pre-existing rights, which will be unaffected by the changes implemented by the amendment. It will apply solely to the impact of the guarantees themselves. The amendment does not need to seek to prohibit a claim under contract law, as there is no way in which the guarantees can create contractual relations between schools and parents. We consider that any claim for contractual liability would be entirely unsustainable.

I hope that those brief introductory remarks will show that I have listened to the points raised by the hon. Members for Yeovil (Mr. Laws) and for Bognor Regis and Littlehampton, and tried to take them into account and include them in the new clause and the amendment, as I said I would.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): I am grateful to the Minister for his courtesy and careful consideration of the deliberations in Committee, but the Government new clause is a frank admission that the pupil and parent guarantees set out in clauses 1 to 3 are likely to lead to a proliferation of complaints. That is likely to happen, however, with or without the new clause, when we have an education system in which 9 per cent. of boys leave primary school without being

[Mr. Nick Gibb]

able to obtain any grade in the key stage 2 English SATs. In other words, they are leaving primary school completely illiterate. Given that we also have an education system in which 40 per cent. leave primary school without having mastered the basics of reading, writing and maths combined, there is plenty of scope for complaints under these guarantees, particularly under guarantee 2.2, on page 24 of the guarantee document, which states that

"the curriculum is tailored to…every child's needs so that…every…pupil receives the support they need to secure good literacy, numeracy and ICT skills, learn another language and about the humanities, science, technology and the arts".

The new clause amends the Apprenticeships, Skills, Children and Learning Act 2009, particularly sections 207 and 216, which relate to the complaint procedures that are the mechanism under which the guarantees can be enforced—to the extent that they can be. As the Minister has said, the new clause is designed to change the complaints procedure so that the local government ombudsman does not have to investigate complaints that he considers to be "frivolous"—an addition to the word "vexatious", which is already in the Act.

This follows concerns expressed by the teacher unions about the pupil and parent guarantees, particularly the concerns of the Association of School and College Leaders, which believes that

"the creation of these guarantees will open the floodgates for increased litigation against schools. The introduction of these guarantees has the potential to create a 'whingers' charter' and bring a proliferation of frivolous complaints by a minority of litigious parents, thereby serving to increase the work load of school leaders and undermine the work that schools have done to create more positive relationships with parents."

It is obviously right to ensure that the local government ombudsman does not have to investigate frivolous or vexatious complaints, and it is right that head teachers are protected from defamation suits in their communications with the local government ombudsman on these matters. There is absolutely no guarantee, however, that the ombudsman will be able to remedy any of the complaints about the standard of education provided. Tony Redmond, the current local government ombudsman, said in evidence to the Committee:

"I do not think that it is the role or responsibility of local government to change a school".—[*Official Report, Children, Schools and Families Public Bill Committee*, 19 January 2010; c. 5, Q11.]

He went on to say that all he could do was make recommendations. He said that

"we are also conscious of the fact that in terms of the curriculum and teaching, some of those things might step outside the jurisdiction of the ombudsman".—[*Official Report, Children, School and Families Public Bill Committee*, 19 January 2010; c. 7, Q5.]

In other words, the whole process is a complete waste of time. All it will do is add yet another layer of bureaucracy and waste to an education system already deeply mired in bureaucracy and waste.

Government amendment 67 is, as the Minister has said, a concession to both Opposition parties following our amendment in Committee that sought to make it clear that the pupil and parent guarantee did not create legal obligations under either the law of contract or the law of tort. Our original amendment said:

"A pupil or parent guarantee shall not be capable of creating any obligation in respect of whose breach any liability arises in contract or tort."

That amendment was lifted almost word for word from section 111(6) of the School Standards and Framework Act 1998, which was introduced to prevent home-school agreements from being enforceable in the courts.

4.15 pm

We believe that the Bill as originally drafted would have left open the possibility that the pupil and parent guarantees could be enforced through court action against schools that might breach those guarantees. That also concerned the teaching unions. The Association of School and College Leaders, for instance, said:

"ASCL believes that the creation of these guarantees will open the flood gates for increased litigation against schools."

In his oral evidence to the Committee, ASCL's general secretary John Dunford said:

"Our main concerns about the Bill are around the guarantees and potential in an increasingly litigious society for parents to take up an awful lot of head teachers' time in disputing what are rather uncertain and woolly guarantees."—[*Official Report, Children, Schools and Families Public Bill Committee*, 19 January 2010; c. 4.]

The National Union of Teachers said:

"NUT head teachers are concerned that without adequate resources or provision for staff training these proposals may leave schools vulnerable to litigious parents or over-eager lawyers who have misinterpreted the Government's intentions. The NUT is concerned that any breaches of the guarantees should not be treated as akin to breaches of statutory duty in the health and safety sphere granting persons distinct rights to legal action and monetary compensation."

In Committee, the Minister said that he agreed with the sentiments expressed in the amendments, and would return to the issue after examining it further. He also said, however—as he said a moment ago—that he did not think it necessary to include the explicit reference to the law of contract. He said:

"The guarantee document does not create a contract between parents or pupils and the school, because it is a public law document."—[*Official Report, Children, Schools and Families Public Bill Committee*, 28 January 2010; c. 254.]

It is clear from Government amendment 67 that the Government have only explicitly ruled out tort, and I think that that is a mistake. The creation of guarantees implies, or could imply, a contractual obligation. The only thing missing is a consideration to give rise to a contractual obligation, but surely the consideration in this instance is taxpayers' money. If the complainant is a taxpayer or council tax payer, surely that might be regarded as the consideration element of a contract, implicit in the pupil and parent guarantees in clause 1.

As for its being a public law document, surely that would apply equally to a home-school agreement, but the drafters of the School Standards and Framework Act 1998 considered that an explicit exclusion of liabilities under contract law as well as tort law was necessary.

Mr. Cooker: The hon. Gentleman is making an interesting point, but does he not agree that there is a difference between this Bill and the 1998 Act? The home-school agreement is obviously a contract—a specific contract between home and school, which people must sign. It is relevant to an individual parent, an individual pupil, an individual school and an individual family. That is why the Act excluded it in terms of contract. The position in the Bill is entirely different. It is not necessary to rule out contracts, because no contractual agreements arise as a result of the guarantees in the Bill.

Mr. Gibb: That says something about the extent to which the Minister feels that the guarantees are worth anything. Normally, if a private sector service provider gives a guarantee for the quality of his or her work, that is regarded as a contractual guarantee, just as the home-school agreement could constitute a guarantee. Although the Minister may well be right, I believe—this was the thinking behind the provision in the 1998 Act—that it is safer to include this provision in the Bill to ensure that that no action can be taken under contract law in future. There is surely no harm in including it.

Mr. Coaker: I am not a lawyer. We have had this discussion before, and the hon. Gentleman has conceded that he is not a lawyer either. I am advised, however, that there is no contractual agreement. I can see that a home-school agreement, involving the signing of a specific document, constitutes an individual contract between the pupil—or parent—and the school, but I see no analogy between that and the guarantees in the Bill.

Mr. Gibb: If the guarantee is a real guarantee, there is a high likelihood that it will give rise to contractual rights. If, however—as is probably the case, which is why I will not be calling for a vote on this issue—the guarantees are not really worth very much and this is merely political posturing, the Minister is right, and it will not be possible to enforce these provisions in the courts, regardless of whether that is explicitly ruled out in the legislation.

The guarantees represent an expensive and bureaucratic approach to trying to raise standards in our schools. They are, in effect, the last refuge of a Government who know that they have not delivered. This new clause and amendment go some way towards mitigating the downside of some of the implications of the pupil and parent guarantees, however. For that reason, we will not oppose them—but they will not create one single thing that will help to raise standards in our schools.

Mr. David Laws (Yeovil) (LD): I start by thanking the Minister for Schools and Learners and his team for the generally productive approach they took in Committee, and I also thank him for starting today's debate with a small olive branch of consensus, before we move on to the dissent that is likely to permeate the rest of our debate. He has listened, to some extent, to the criticisms of clauses 1 to 3, and in response he has offered some small and rather modest gifts to the Committee and the House to try to dispose of a few of the problems that will arise if the guarantees are ever implemented, which we must doubt. We support him in seeking to remove "frivolous" complaints, and we agree with his points about not creating legal rights that could result in legal action, with parents and pupils suing for damages.

However, our main problem with clauses 1 to 3—in this regard I agree with the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb)—is that the Government have drawn up the pupil and parent guarantees in such a vague and unhelpful way. Goodness knows what the ombudsman is going to make of trying to enforce those guarantees, which the Secretary of State and his advisers cobbled together one evening a few months ago. No ombudsman will be able to make a serious job of enforcing the types of obligations and supposed guarantees set out in the White Paper.

The hon. Member for Bognor Regis and Littlehampton cited just one of the flawed pupil guarantees. I have cited in the past, and shall cite again in future, the pupil guarantee that specifies that every 11 to 14-year-old should enjoy

"relevant and challenging learning in all subjects",

and develop their

"personal, learning and thinking skills so that they have strong foundations to make their 14-19 choices."

We are told that that will be phased in by September 2010. The Minister is a fair-minded person who must know that our criticisms are entirely right, and I put it to him that it will be impossible for any ombudsman service, regardless of how many staff it has, to make head or tail of most of the pupil and parent guarantees. Indeed, if we read the small print of some of these guarantees, we discover that in the commercial sector people would get into serious trouble for seeking to present them as guarantees.

For example, the guarantees on access to physical education and competitive sport are phrased in such a way that although they give the impression that there is a guarantee of five hours of sport—or culture, or whatever—the truth is that all the Government are talking about is "access" to those things, which could be delivered in a series of very unconvincing ways that would mean that the vast majority of young people would not get five hours of any of them, because they are available in such a way that they cannot be taken for granted. Meanwhile, however, a head teacher—or more likely a Secretary of State—would be able say, "Hurrah, we've delivered all these wonderful guarantees, and young people can have access to these things."

If the Secretary of State had come up with even a couple of sensible guarantees that were outcome focused rather than input focused, and had linked them to giving freedom to schools to make their own decisions about how to deliver them, we might have supported him. He was in the Treasury back in the early days when all those delivery targets were set. They often focused on inputs rather than outputs, and then the Treasury realised that it had got it all wrong. Because he is so experienced and knows all the flaws of setting targets in this way, he should not, as Secretary of State, have come up with such a lot of nonsense: so many guarantees that are unenforceable, or focus on inputs. He must know that he has cobbled these guarantees together on the back of a fag packet. Although he has sought to do that to create some dividing lines for electoral purposes, the guarantees deserve to be put in the waste paper basket before the election, rather than being implemented in such a way that they will be extremely difficult for any parent or pupil to enforce, and will give the ombudsman service an impossible job.

Of course the Liberal Democrats welcome this small olive branch; we do not want to be churlish and we are grateful for all concessions. I hope that I have not struck a note that has implied any lack of charity or enthusiasm—*[Interruption]*—or, indeed, any churlishness, in response to these small concessions. However, they are very small concessions, they sit on top of a very big problem, and they do not address the flaws in clauses 1 to 3.

Mr. Coaker: I sometimes wonder whether it is worth coming forward with concessions; if those are the reactions that I get for doing so, I will just do full-blown opposition and get on with it. However, I welcome the limited

[Mr. Coaker]

welcome given to these concessions, and just wish to make a couple of points before allowing us to move on. They are important concessions and changes, and they directly relate to some of the problems that the hon. Members for Bognor Regis and Littlehampton (Mr. Gibb) and for Yeovil (Mr. Laws) set out. We have tried to respond to those so that the document becomes more workable and we do not encounter some of the problems that would have arisen had we not amended the Bill.

The document is being consulted on for 12 weeks—I do not recall exactly how far through that process we are, but it is about seven or eight weeks—and people are responding to that consultation exercise. When my right hon. Friend the Secretary of State and I go to meetings, people talk to us about the guarantees and they do not see them as being fit for the waste paper bin. People are engaging with us about the real effort that we have made to lay out, for the first time, what the state's offer should be to parents and to pupils in terms of state education. This was not a "back of a fag packet" effort; serious discussions took place over a considerable time so that we could put forward a document setting out what a parent and a pupil can expect in terms of education.

Let us go into fantasy land for a moment: if, after an election, we had a Conservative Government or a Liberal Government—*[Interruption.]* It has come to something when I am barracked by my own side as well. I would have a wager with the hon. Members for Bognor Regis and Littlehampton and for Yeovil that if and when this becomes law, they will not abolish it.

Mr. Laws *indicated dissent.*

Mr. Coaker: This is an interesting point. I do not believe that they would abolish it, because when it is set out with the guarantees on one-to-one tuition, on sport, on recreation, on culture, on languages, on learning, and on parents being kept informed both online and through proper consultation—through parents evenings and so on—parents, teachers, pupils and the general public will see that, far from being a useless piece of bureaucracy, it is a live document that, for the first time, sets out what the state's offer is on the educational entitlement of the young people of this country. With those brief comments, and having taken note of the overwhelming gratitude that I have received for introducing these provisions, I commend the measures to the House.

Question put and agreed to.

New clause 17 accordingly read a Second time, and added to the Bill.

New Clause 1

PUBLICATION OF INFORMATION BY LOCAL SAFEGUARDING CHILDREN BOARDS (LSCBS) IN ENGLAND AND WALES

'(1) When a LSCB deems it necessary to conduct a Serious Case Review (SCR), the LSCB will—

(a) carry out an initial management review to identify any immediate concerns within 72 hours of deciding that a SCR is necessary;

(b) commission an internal investigation if the child or his immediate family has received social care services from the local authority in the past two years;

(c) commission a SCR.

(2) The LSCB will commission the SCR from an author approved by a body established by the Secretary of State by order made by statutory instrument.

(3) The LSCB will publish the SCR in full, excluding only information that may lead to the identification of living parties.'.—*(Tim Loughton.)*

Brought up, and read the First time.

Tim Loughton (East Worthing and Shoreham) (Con): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following: new clause 10—*Reasonable punishment*—

'(1) The Children Act 2004 is amended as follows—

(2) In section 58 (reasonable punishment), after subsection (4) there is inserted—

"(4A) Only a person with parental responsibility for a child within the meaning of section 3 of the Children Act 1989 can justify battery of the child on the ground that it constituted reasonable punishment."'.

New clause 21—*Publication of serious case reviews*—

'(1) When Local Safeguarding Children Boards commission serious case reviews these shall be published in full within 60 days of completion, subject only to the redaction and anonymisation which is necessary to protect the welfare and reasonable expectation of privacy of those persons mentioned in the Serious Case Review.

(2) The Local Safeguarding Children Boards must also ensure that within 12 months of the publication of the serious case reviews there is in each case an independent evaluation of the extent to which the conclusions of the review have been acted upon.'.

Amendment 35, in clause 28, page 25, line 26, after 'with', insert

'for the purposes of a serious case review'.

Amendment 36, page 25, line 29, leave out 'its functions' and insert 'a serious case review'.

Amendment 37, page 25, line 33, leave out 'function' and insert 'serious case review'.

Amendment 38, page 26, line 8, leave out 'its functions' and insert 'a serious case review'.

Amendment 39, page 26, line 8, at end insert—

'(6A) The Board will disclose, on request, the names of the persons and bodies from whom it has requested information except in cases where disclosure would threaten the anonymity of a child or his family.

(6B) Section 28 will apply to LSCBs when commissioning Serious Case Reviews which, unless they can be shown to be harmful to the welfare of the subject of the Serious Case Review or his siblings, should be published in full, subject to appropriate considerations of anonymisation and redaction.

(6C) The Secretary of State shall direct a body to maintain a register of suitable, qualified authors of Serious Case Reviews and to monitor their quality which should be available to LSCBs commissioning Serious Case Reviews.'.

Amendment 40, page 26, line 11, leave out 'its functions' and insert 'a serious case review'.

Amendment 88, page 26, line 11, at end insert—

'(8) Provision must be made for appeals by those persons who consider it to be unreasonable or improper to supply the specified information to the Local Safeguarding Children Board under this section.'.

Amendment 41, in clause 29, page 26, line 21, after 'with', insert

'for the purposes of a serious case review'.

Amendment 42, page 26, line 24, leave out 'its functions' and insert 'a serious case review'.

Amendment 43, page 26, line 28, leave out 'function' and insert 'serious case review'.

Amendment 44, page 26, line 41, leave out 'its functions' and insert 'a serious case review'.

Amendment 45, page 26, line 44, leave out 'its functions' and insert 'a serious case review'.

Amendment 46, in clause 30, page 27, line 4, leave out 'may' and insert 'will'.

Amendment 47, page 27, line 6, at end insert

'and of the effectiveness of Local Safeguarding Children Boards in England and Wales.'.

Amendment 90, page 27, line 10, leave out 'may' and insert 'shall'.

Amendment 48, page 27, line 13, at end insert—

'(c) requiring the naming of partners listed under section 13(3) that are not cooperating appropriately with the Board.'.

Tim Loughton: This group of amendments concerns a very serious subject: serious case reviews. This is the first opportunity that we have had since the baby Peter tragedy, more than a year ago now, to put forward our proposals, which we have been making for some time, as part of the relevant legislation. It is particularly important that we can do so today because, as you might know, Mr. Speaker, we did not reach this part of the Bill in Committee, so we were not able to have any debate about the operation of local safeguarding children boards or, specifically, our amendments on serious case reviews.

4.30 pm

I want to talk about four sets of amendments in this group. The most important is new clause 1, which is complementary to amendment 39. We have tabled a series of similar and technical amendments—amendments 35 to 38 and 40 to 45. Three further amendments—46, 47 and 48—concern the inspection of the operations of local safeguarding children boards.

Let me start by commenting on the operation of serious case reviews and the way in which they are commissioned by local safeguarding children boards. It is fitting that we are having this debate now, because on Thursday it will be the 10th anniversary of the tragic death of Victoria Climbié, whose name resonates hugely with everyone in this country who has any remote interest in the safeguarding of vulnerable children. I am sure that everyone will agree that much more still needs to be done to safeguard our most vulnerable people.

In the past few days, we have heard about a further case involving violence towards a child known only as baby Y in Haringey, following on from the baby Peter case in Haringey and the Victoria Climbié case, which happened in Haringey 10 years ago, as I said. Just last month, we heard the incredible details of the torture of the 10 and 11-year-old boys in Edlington, Doncaster, by two boys of a similar age who were known to children's services and other agencies. Those two young boys were lucky to escape with their lives and they were the latest tragedies in that part of the United Kingdom after a catalogue of no fewer than seven deaths in Doncaster in a five-year period, five of which merited serious case reviews.

The trouble is that few people in this country are convinced that the lessons of the serious case reviews in Doncaster, in Haringey and in other high-profile areas of this country that have experienced similar tragedies have seriously been learned by those in a position to do something about the situation and to make the safeguarding environment better for vulnerable children and families. Public confidence in child protection in this country has been hugely undermined, particularly after the baby Peter case. Social workers and other professionals involved in child safeguarding feel demoralised and undermined up and down the country. The system simply is not working, which is why we feel that a more drastic overhaul and more drastic and immediate action is required than the Government are prepared to countenance. That is why we have tabled these amendments.

The truth is that the number of children who are dying at the hands of parents and carers has not materially changed since the death of Victoria Climbié, despite significant investment that the Government have made—nobody is denying that—and despite huge structural changes. However, I fear that many of those changes have meant that attention and resources have been diverted to overhauling the system rather than dealing with the problem at the sharp end. That has proved counter-productive in many cases, and that situation remains despite the large amount of legislation that has been introduced, much of which we supported. In too many cases, the outcome of that legislation has been to exacerbate the bureaucracy that now surrounds too much of our child protection system. All that has to change. The first steps needed to bring about such change must be to have greater transparency, greater accountability and genuine learning from mistakes, and the public's confidence that that learning is taking place must be restored. It is no longer good enough for the Government to say, as I predict the Minister will say in reply, that serious case reviews must remain secret. They cannot trot out the same old excuses about protecting anonymity and then cite the various children's charities that oppose change for whatever reason.

Back in December, the Government produced, "Working Together to Safeguard Children", chapter 8 of which dealt specifically with the future construction of serious case reviews. We welcomed many of the proposals in that document, but we think that it did not go far enough. It dealt with time scales—I think everyone agrees that we need to speed things up—and the extent to which we want to gather information. We want it to be as wide and as comprehensive as possible.

We now seem to talk about comprehensive executive summaries, which are just executive summaries, but there is no guarantee that executive summaries will reflect the complete story, chronology and analysis of what went wrong that led to a serious case review. We should all be able to learn from best practice when serious case reviews are carried out, but we do not know where best practice takes place because serious case reviews are not published. I was amazed by one aspect of the baby Peter tragedy that blew up last November, because I had assumed, quite wrongly, that serious case reviews were available in full to a much wider constituency of professionals than they are. I would assume that directors of children's services and other key professionals would automatically have access to full serious case reviews so that they could read those reports, even

confidentially, learn from them and see whether there were potential echoes in their own authority of what went wrong in another authority and do something about that urgently. But, no—a very small constituency of people get to see serious case reviews.

There seems to be very little urgency in some of the reviews. One case review, in Doncaster, of the death in October 2004 of a child who was known very robotically as baby B05, was not produced until 2008—almost five years later. We now know about the underlying structural turmoil that was going on in that authority, despite the fact that the authority was described by Ofsted as "adequate". At the same time, locally commissioned reports and other front-line reports clearly stated that there were serious problems in that authority. It took almost five years to produce a serious case review. One would hope that someone could learn lessons from that and make improvements, but it took too long to produce.

A few weeks ago, a leaked copy of the full serious case review of the Edlington case was obtained by the BBC, and the BBC "Newsnight" programme read that report in full. Alongside that report, which ran to just over 150 pages, it also read the accompanying executive summary—or comprehensive executive summary—which ran to just 11 pages, including the title page. The BBC could clearly see serious anomalies between the full-blown serious case review and the executive summary. Indeed, they bore little resemblance to each other. The BBC made that patently clear, yet even when the executive summary of the serious case review of Edlington incident was exposed as a sham, the Government and the authorities in Doncaster refused to produce, in any form, a fuller version of the summary or a slimmed down version of the full serious case review. They were completely in denial, and the serious case review of a horrendous case remains suppressed, secret and available to only a few individuals.

It is no wonder, therefore, that confidence in the child protection system in this country is at an all-time low. To this day, I still do not understand why the Government were so steadfast in their refusal to produce anything other than a discredited executive summary of what went on in Doncaster.

Mr. Edward Timpson (Crewe and Nantwich) (Con): Does my hon. Friend share my concern that, if we had seen only the executive summary, we would not have been aware that, on 31 separate occasions, nine agencies were involved that could have intervened, and so possibly have prevented the subsequent events from taking place?

Tim Loughton: That, of course, is exactly right, and it is why we need much fuller accounts of what goes wrong in tragedies such as the Edlington and baby Peter cases than can be provided in brief serious case reviews, however comprehensive their title calls them.

We definitely need a radical overhaul of how serious case reviews are commissioned, compiled and published, as well as of how they are subsequently learned from and acted on. We need that to restore public confidence in child protection, and morale in the social worker profession. We also need it to ensure that all the agencies involved in safeguarding children can see clearly where mistakes have been made and can work to ensure that they will not be repeated, on their watch and in their patch, in the future.

In the past 18 months, I have travelled widely around children's services departments. I visit local authorities most weeks to speak to the people in the front line and the ones who manage those departments. Some children's organisations claim that they do not agree that serious case reviews should be published in full, and I am sure that, as usual, the Minister will give us a litany of them before long. However, despite those claims, the overwhelming view among the child protection social workers at the sharp end whom I meet is that they would be in favour of the full publication of serious case reviews.

Full publication of the reviews would be in their interests. More importantly, it would be in the interests of vulnerable children and families, so I was pleased to see the stance taken by the British Association of Social Workers, which was confirmed in *The Times* just last week. The association is the professional body for social workers, and it is headed—very skilfully, I might say—by a former colleague of the Minister in this House. He has committed BASW to campaigning for full publication of serious case reviews. The association represents the professionals who have to deal with these problems every day of the week at the sharp end. They now see the merits of exposing the weaknesses in serious case reviews, as opposed to suppressing them and keeping them secret, as has happened for too long.

In *The Times* of 18 February, Hilton Dawson said:

"It's vital that these reviews are transparent and can be seen in full, subject only to the need to preserve individual anonymity. These reviews are vital learning tools and it is imperative that they are made widely available."

There speaks the head of the professional body for social workers in this country. A former social worker himself, he incidentally had experience for a short time as a Labour Member of Parliament in this House.

In addition, *Community Care* magazine, the bible of social workers—*[Interruption.]* That name causes some tittering from the Secretary of State, but the magazine is used very widely by the social worker work force. The magazine has also committed itself to the publication of serious case reviews, and has been waging a very forceful campaign to that end.

I quote from a recent copy of *Community Care*:

"Serious case reviews are usually published only in summary. This limits learning. *Community Care* recommends that reviews be published in full so that practitioners can use specific details to inform their practice according to their experiences and roles. There is some resistance but it is possible to publish without harming anonymity . . . Names can be removed and reviews could be collated and distributed centrally, thereby disassociating them from specific local authorities, teams and known cases. It would help if reviews focused on learning not recrimination."

I fully agree with that. The purpose is not a witch hunt or a blame game. It is to find out what went wrong, to learn from it and to make sure that it is less likely to happen in the future.

We will never abolish cruelty to children outright. There are evil individuals in society who will always seek to do evil to vulnerable people, including children—incredibly. What we can do is to make it as difficult as possible for those people to be able to perpetrate their crimes, and to make sure that everybody is working together to ensure that those opportunities are as limited as possible for the perpetrators of such crimes.

4.45 pm

Jim Cousins (Newcastle upon Tyne, Central) (Lab): It seems to me that the hon. Gentleman should be rather less surprised by the attitude of the British Association of Social Workers. The purpose of serious case reviews is not and should not be to seek individual blame, but unless a fuller account is given than the one that is available in executive summaries prepared by organisations, it may be much harder to see the resource issues and the issues of institutional practice and culture which underpin so many of the meaningful conclusions that should be drawn from such reviews.

Tim Loughton: I agree. It is not merely a case of identifying certain individuals who did not perform the job to the required standard. It is necessary to find out why. Were there enough staff to cover the cases? Was the case overload too great? That has been the situation in many local authorities. Were resources not available when they were needed? Was all the work going on in the department reactive rather than preventive? Were social workers spending far too much time at their computers, having to fill in assessment forms, as is now the case?

According to Unison, up to 80 per cent. of a social worker's time in child protection is spent filling in assessment forms, rather than at the sharp end with those children. Surely the most likely way of preventing harm to vulnerable children and families is for a professional, well-trained, well-resourced and well-motivated social worker to knock on a door and spend quality face-to-face time with that vulnerable family and the child. The social worker would then be able to make an informed decision as to whether intervention was required and at what level, rather than trying to second-guess it from a computer screen or from papers a long distance away in an office.

Serious case reviews should consider and analyse such questions in order to draw conclusions and make recommendations. That cannot be properly communicated in the space of an 11-page executive summary, whether or not it is called comprehensive, and that is the sort of thing that we need to know.

John Hemming (Birmingham, Yardley) (LD): Does the hon. Gentleman agree that the absence of more detail in serious case reviews makes it difficult to look for patterns? It is the analysis of patterns that is key in identifying the circumstances where intervention is necessary. He is probably aware of Birmingham's analysis, from which the council found that judgment was very poor. We need to analyse patterns, and for that we need detailed serious case reviews.

Tim Loughton: The hon. Gentleman is right. It is no good just looking at a serious case review in isolation, though we need to do that in full. If there are clear systemic weaknesses affecting many children's services departments, that is a serious job for central Government to undertake, rather than a localised issue for a local authority. One of my amendments, which I shall come to later, deals with analysing the work of local safeguarding children boards, which refers to the hon. Gentleman's point.

There have been objections to the publication of serious case reviews, along the lines that social workers would be compromised in their work if the reviews were published in full, or that the identity of the children and families involved would be revealed. Clearly, many social workers working at the sharp end do not buy that argument. I do not buy that argument; I never have. Publication is in the best interests of social workers.

Inevitably, when there is a tragedy such as the baby Peter case, the Doncaster case or others, social workers are always panned first. It is always assumed that if a baby or child who was on a local authority's radar dies in gruesome circumstances, it must be the fault of social workers. In some cases, that is true; in many cases, the system is at fault, as the hon. Member for Newcastle upon Tyne, Central (Jim Cousins) said; and in many other cases, other agencies have not done their bit. In the case of baby Peter, the paediatrician, whom we have heard about in the news this week, potentially had some shortcomings, and the police did not come out of it very well, either. However, social workers are always at the front of the queue to be panned, and they are always at the back of the queue to be congratulated and praised when things go right. They usually do go right, but that does not make for good news on the front page of a tabloid newspaper.

Mr. Graham Stuart (Beverley and Holderness) (Con): The Select Committee on Children, Schools and Families heard evidence that many children's social workers are the least experienced in the work force. They are put on the most complicated and difficult cases at the beginning of their career, and they can arrive in post having had placements and training that did not include children's social work. We need the full picture to ensure that, as my hon. Friend rightly says, social workers are not hung out to dry when there is systemic failure and a lack of support for often young and inexperienced people who are doing their best. We need to ensure that the true picture is seen so that people are not made scapegoats when they are not personally at fault.

Tim Loughton: My hon. Friend makes a valid point. We know that part of the problem is the huge case load placed on social workers, particularly those in child protection, and the worryingly high vacancy rates, which on average exceed 15 per cent. across various authorities, but in others, particularly those in London, are as high as 40 per cent. Newly qualified social workers, with hardly any on-the-job training in often complex and sensitive child protection work, are thrown in at the deep end with really challenging cases. However, social work is not a science or a clear case of black and white; it involves experience, intuition and sensitivity—qualities that one cannot learn just from a book, but must learn on the job, preferably alongside a mentor who has years of experience to pass on.

The morale of social workers has been so undermined, partly because of those high-profile tragic cases, that there is a serious problem with people going into social work. We have expressed serious reservations about the standard of training that many social workers receive; about the entry qualifications, which need to be higher, for a social work degree; about the low pass mark required to obtain that degree; and about the lack of on-the-job training for social work graduates.

That is why back in 2007, in the report that the Conservative party commissioned on the role of children's social workers, we made specific recommendations about newly qualified social workers and raising the standard of training. I am pleased to say that at long last

[Tim Loughton]

Moira Gibb's social worker task force has taken on board many of those recommendations, but they should have been taken on a long time before we reached this desperate impasse.

There is a further question. Why would social workers not want to co-operate with a serious case review that was going to be published in full? Why would they not want to co-operate with an investigation, when their profession may or may not be at fault in the tragic death of a vulnerable child? However anonymous and unpublicised serious case reviews are at the moment, that did not stop the names of key players in the baby Peter case and other tragic cases being splashed all over the front pages of certain newspapers. It did not stop the identity of culprits and, indeed, of children and siblings being exposed and made available in a matter of seconds on the internet.

Clearly, it should be possible to publish a full serious case review without compromising the identity of the key players involved. That is why our amendments are heavily subjected to key caveats: first, that serious case reviews should be published in full only where such publication did not compromise the welfare of surviving children or siblings, and it would have to be shown that that was the case; secondly, that those serious case reviews would be duly anonymised; and thirdly, that they would be appropriately redacted where that was necessary, say, to protect the identity and sensitivities of surviving children and families.

We have researched widely how we think that the new system should be structured. After deliberations with social workers, directors of children's services, departments of social work, academics and others, we think that a practical and suitable way ahead is to base the model of publication of serious case reviews on the practice that has existed for many years in mental health homicide reviews. Mental health homicide reviews are published in full, with various names of individuals anonymised—they may refer to "Dr. A" or "Nurse B"—and they are made widely available. It is generally agreed that they are good, thorough learning tools from which a much wider constituency of professionals can learn from the mistakes that have been made and determine what changes to the system, locally or nationally, need to be made to try to avoid their happening in future.

The mental health homicide review into the tragic killing of Jonathan Zito ran to 177 pages. It was a tragic, but thorough and worthwhile report. One could contrast that with the 16-page executive summary on the death of baby Peter, which was found not to be worth the paper it was written on and had to be rewritten after the whole case came to light back in November. Why cannot we use a model, if not based on, then certainly much closer to, that which already exists and has worked perfectly well for many years for mental health homicides? The practice in those cases is that following a murder involving a patient who has recently been treated by the local mental health service, there must be an immediate investigation to identify what urgent action needs to be taken within 72 hours—a succinct internal investigation that is urgently done and urgently acted on. That is followed up by a much longer—in the Zito case, 177 pages—in-depth review, which is then published, subject to the various caveats about protecting anonymity, and so on.

In new clause 1, we suggest that following the death of a child in connection with local children's services, there should be an initial review within 72 hours, and then a full-blown serious case review commissioned by an author approved by a body established by the Secretary of State under an order made by statutory instrument. It would then be incumbent on the local safeguarding children board to publish the serious case review in full, excluding any information that might lead to the identification of living parties.

Subsection (2) refers to the authorship of such serious case reviews, because another issue comes up when we look at how they are commissioned. At the moment, it is up to the local safeguarding children board to find an author for a serious case review and commission him or her to produce the report, which is then written and submitted to the board.

We need to ensure that the professionalism, probity and independence of serious case reviews are protected if they are to be meaningful, credible and effective documents. The trouble is that after the baby Peter case, Ofsted produced a report revealing that, at that stage, no fewer than 41 per cent. of the serious case reviews that were being produced on behalf of local safeguarding children boards were unsatisfactory. The quality of the reviews was seriously called into question.

5 pm

I have spoken to a number of authors of serious case reviews—professionals and academics who are regularly called on to write them. There is at least anecdotal evidence that in some cases vested interests can operate in the preparation of reviews. The LSCB appoints a familiar author to produce a serious case review, in the hope that they will not condemn too heavily the local authority in the care of which a child has been killed. The author of the review wants repeat business from the local authority, and so may go light on their criticism of it. I am not saying that that practice is widespread—I certainly hope not—but there is clear potential for a conflict of interest. Given the depths to which confidence in the whole system has sunk, we need to do more to safeguard the credibility and probity of serious case reviews.

That is why we suggest in our new clauses and amendments that when a serious case review is required, the LSCB should request an author from a centrally held register of professional SCR authors. The Secretary of State should appoint a body to hold that register of authors—a similar but rather beefed-up version of a system of expert witnesses who can be called upon to appear in court. That body would be responsible for ensuring that the authors on its register came up to scratch, that they had the necessary qualifications, and that they were monitored on an ongoing basis to ensure that the quality of their work was up to scratch.

I do not really mind what that body is. It might be a children's charity such as Barnardo's, or it might be the Local Government Association, for example. Indeed, the various local authorities across London have already been using a pool system of serious case review authors to call upon. If we had such a system, the reports that were produced would be much more likely to be above reproach. We desperately need such a change to restore confidence in the whole system. If the reports were then put in the public domain, so that all interested parties

could see the full chronology of events, the full cast of characters involved, duly anonymised, and where the lines of weakness lay and action was specifically required, we could be confident that they were objective, thorough and professional.

I have some sympathy with proposals that an action plan should be included with a serious case review, requiring a subsequent audit of measures taken that were recommended in the review. That is proposed in new clause 21, tabled by the Liberal Democrats, with which I have a good deal of sympathy. It is no good just producing a serious case review, published or not, if it does not result in action. There is no formal checking mechanism at the moment, and there will not be one even if the changes that were discussed in the Government's December document about having some sort of subsequent audit are put in place.

Annette Brooke (Mid-Dorset and North Poole) (LD): Does the hon. Gentleman agree with the point made in new clause 21 that the assessment of compliance should be independent?

Tim Loughton: Absolutely. That is entirely in harmony with the approach in our proposals. We need a very clear wall between the commissioners and the authors of reports. For the same reason, we need to ensure that whoever comes in subsequently to conduct an audit has no agenda of their own or conflict of interest. However, that could still mean someone whose name is held on the register that we are proposing. Someone with the professionalism, background and training to carry out initial SCRs could also carry out the audit to find out whether a review had been acted upon. The answer to the hon. Lady is yes—her proposal is very much along the same lines as ours.

Amendments 35 to 38 and 40 to 45 have the support of a number of outside organisations, notably the General Medical Council, the British Medical Association and the Children's Rights Alliance for England. Clauses 28 and 29, to which the amendments would apply, are very widely drawn in that they establish a statutory obligation to provide information to LSCBs for any or all of their functions. That could include the release of confidential information about children, parents, siblings or, in a clinical context, patients. I have a deal of sympathy with the GMC and the BMA, which are concerned that if people are statutorily obliged to provide information to an LSCB, when the purpose for which that information is required is not made clear, there is a serious risk to patient confidentiality. In addition, the CRAE has expressed fears about the breaching of child confidentiality, particularly regarding information given by one child about another. The requirement included in clauses 28 and 29 is very wide ranging, and we therefore think it should be modified. Our amendments would specify that such information could be required only in so far as it can be shown to be necessary for the compilation of an SCR, and on an anonymised basis.

I have some questions for the Minister. I would be grateful if he could say why the clauses are so widely drafted. Is that a further response to the Laming review, because the measures seem to go well beyond the scope envisaged in his second review of last year? Will the Minister define more closely the circumstances in which such information will be required? There is also a question regarding the Data Protection Act 1998, which specifically requires that information is collected for a specified purpose, because under the clauses, nothing will be specified. May we have more detail about specified purposes? On what grounds, for example, could an agency withhold information? Could it withhold information if it believed that there was a risk of breaking the confidentiality of a child, a pupil or a patient? The CRAE has further said that any sharing of information by public bodies must be necessary, proportionate and in the pursuit of a legitimate aim in order to comply with human rights law. The question of whether the clauses as they are structured comply with that is a serious one.

The final tranche of proposals in this group is made up of amendments 46, 47 and 48. Amendment 46 would require the Secretary of State, by regulations, to make provisions for Ofsted to conduct reviews of LSCBs' performance of their specified functions. Clause 30 provides that the Secretary of State

"may by regulations make provision".

This is an old favourite in Committees—although we did not have the opportunity to make the argument there this time—because we think that "may" should become "will". Questions have been raised about the way in which local safeguarding children boards operate. For example, there is confusion about the boards' exact role and purpose vis-à-vis children's trusts. After the baby Peter affair, the Secretary of State made changes to the composition of LSCBs which amounted to adding two lay members, but I am not sure how that improved their quality other than by increasing the size of the tables around which the boards sit. I worry that any decisions that LSCBs make will always be subject to the lowest common denominator.

I have serious qualms about Ofsted's ability to inspect children's social care departments, because there is a severe shortage of children's social care experts working for, or on the board of, Ofsted, but the operation of LSCBs needs to be examined on a better defined and more regimented basis. If it is to be the inspecting body, Ofsted should also review the effectiveness of LSCBs as a whole. Are they working properly and how do they interact with other agencies? That is the purpose of amendment 48. We suggest that LSCBs should be able to name and shame those agencies that, for example, have not co-operated with them in the compilation of serious case reviews. That is the flipside to the earlier amendments that we tabled about the supply of information for serious case reviews.

The amendment also has another purpose. As matters stand, Ofsted does not inspect the way in which agencies work with each other in child protection. Clearly, a common feature of the failings that lead to serious case reviews is the weaknesses in inter-agency working. We think that Ofsted needs to look at that area of child protection and the operation of LSCBs much more carefully. Joined-up working is always an important part of the process and too often it is one of the failings that contribute to the tragedies that we see.

Those are the four sets of amendments within this group. I have some sympathy with the new clause tabled by the Liberal Democrats about serious case reviews, but they have also tabled new clause 10 on the definition of reasonable punishment. Children's Bills, in my experience in the last nine years in which I have been dealing with

[Tim Loughton]

them, would not be complete without somebody trying to hijack them by imposing anti-smacking provisions, and this Bill is no different. True to form, that is what new clause 10 seeks to do. I make no comment on the suitability of the new clause, other than to say that I am aware of the technical problem about the operation of certain religious organisations that have genuine concerns about whether corporal punishment may be used. However, I am also aware that the Secretary of State requested, in his letter on 28 January, that Sir Roger Singleton look into that matter in more detail. Given that we are awaiting the outcome of his deliberations, there is even more reason why, in this case—

Mr. Laws: Will the hon. Gentleman give way?

Tim Loughton: I will.

5.15 pm

Mr. Laws: I think that the hon. Gentleman is saying—although he might be hiding behind the Secretary of State—that the Conservative party supports looking at the anomaly of Sunday schools and madrassahs. Is that what he is saying?

Tim Loughton: I said it quite clearly: I said that the Government have already asked Sir Roger Singleton to look into the matter, because there are genuine concerns that need to be looked at. However, I do not know whether those genuine concerns will turn out to be real or whether they will require action and the sort of new clause that has been put forward. I would like to wait for the evidence, which I think is the Government's position. When we have the report, which is due by the end of March—I think that is the time scale—we can make an informed decision about whether any action is required. My response to the Liberal Democrat new clause, therefore, is that it is premature—to put it kindly—because none of us really knows at this stage whether it is required. I would prefer to wait for the evidence before making a judgment.

I realise that I have spoken for some time, Mr. Deputy Speaker. I very much commend the new clauses in the name of my hon. Friends and myself. In particular, I commend the key new clause—new clause 1—which would offer a fundamentally different approach to how we produce, publish and learn from serious case reviews in the future. Quite frankly, after the high-profile tragedies that we have had, nothing less will do if we are remotely serious about restoring confidence in the child protection system in this country.

Annette Brooke: I, too, shall commence my remarks by talking about serious case reviews. The hon. Member for East Worthing and Shoreham (Tim Loughton) reminds us that we are approaching the 10th anniversary of Victoria Climbié's death. It is a time to reflect on how much has been learned. If we look at the history of serious case reviews, we will see that Ofsted has judged that the quality of a very large proportion has been unsatisfactory. In many cases, the summaries have been criticised for not reflecting the issues behind the cases, and their timeliness has been incredibly suspect, with many occasions on which one has waited for years after a shocking event. There are also doubts about Ofsted and its inspections within the children's services framework.

Some time ago, we had a briefing from the National Society for the Prevention of Cruelty to Children, which remains concerned about the full publication of serious case reviews. However, it made several proposals that it thought would improve the process, including working on the summaries, improving the quality of the serious case reviews and putting in a compliance or audit check so that an arm's length body can pick up on recommendations and check up on subsequent action 12 months after publication.

Just before we came into the Chamber today, my hon. Friend the Member for Yeovil (Mr. Laws) picked up a letter that we had been sent. The letter is from the Secretary of State to the NSPCC. No doubt, in due course we will hear on the Floor of the House exactly how the Government propose to improve serious case reviews. The letter says that the Government will try to improve confidence in the quality of serious case reviews. Ofsted seems to have been put in charge of that, even though we are not yet that confident of its operation in the realm of children's services.

Compliance reports should be made publicly available, setting out the actions to be taken in response to serious case reviews, but there is no indication that anyone will take an independent look at compliance. The reason why I want to emphasise that point is that subsection (2) of new clause 21, standing in my name and that of my hon. Friend the Member for Yeovil, highlights the need for independence in checking the responses to a serious case review. The letter to the NSPCC also refers to the NSPCC's desire that executive summaries should be improved. It is therefore interesting that even now the Government are not going the whole way and are not even responding to the NSPCC's concerns about putting that independence into the equation.

I thank the Secretary of State for allowing me to read the serious case review on the Edlington boys. I read it on behalf of my hon. Friend, and I have to say that I was genuinely surprised at how I felt after reading it. Members who are present are well aware that I work closely with the NSPCC and that I am really concerned about child protection. However, I can put my hand on my heart and say that I came out of the room—my locked room—after reading the review and I thought that pages and pages of it should become compulsory reading for anybody working in the children's work force, including teachers and children's social workers. I was surprised at my reaction.

The review was leaked, of course, to the BBC and the press. I will quote from them, rather than from my recollection, so that I do not reveal anything. There were 31 occasions on which nine different agencies failed to act on the two brothers, aged 10 and 11, who were convicted of torturing and leaving two boys for dead. That is 31 occasions on which there were communication problems, and there are other examples—Pearl Harbour is a classic example—of where all the signals were there but nobody put them together. In order to learn something we have to go through the communication failures. Trainee workers need to read all the points that were missed.

Of course it is easy to be clever in hindsight—I am not making judgments about the people involved—but the lessons were there for training the work force. I say that with some passion, because I am surprised that I now feel even more strongly that we should start from

the premise that we publish as much of the serious case review as we can without harming members of the family or other individuals who might be involved. I, too, picked up the points about the fuller publication of serious case reviews, which the British Association of Social Workers is supporting.

I ask the Government today to reconsider the issue. I am not here to make political points: when I read that serious case review, I was staggered by the things in it that should be revealed to people already in the work force and those entering it. We cannot move on unless we learn those lessons. We on the Liberal Democrat Benches will therefore support the Conservatives' new clause 1. We would have liked to combine it with our proposals, but the point will be made that if we are to learn the lessons, there is a strong case for making more information public.

I understand from reading the serious case review from Edlington that it was the eighth such review that Doncaster had carried out in recent years. This leads me to ask what lessons have been learned from the previous cases, given that they have not been published. Not very many, it seems. Of course I take on board the enormous pressures on social workers, the lack of training and the high case loads, but if we picked up all those elements with total transparency, it would lead to a bigger commitment from society to addressing the deficiencies in the system rather than the people. We are therefore absolutely convinced that we need to move in completely the opposite direction. We cannot improve matters by a drip, drip, drip method of doing a bit more here and there. We need to start from the other end. Let us publish as much as we can without risking injury to anyone and without damaging reputations, perhaps of members of the wider family.

I should like to touch on the Conservatives' amendments 35 to 45. I, too, looked at the representations from the British Medical Association and the General Medical Council; what sensible representations they were. In clause 28, proposed new section 14B(2) states:

"The first condition is that the request is made for the purpose of enabling or assisting the Board to perform its functions."

That seems a very wide request. I looked at the Bill's explanatory notes on the clause, but they left me none the wiser—*[Interruption.]* I am relieved that I am not the only one who thought that they confused the issue, rather than clarifying it.

Although I quite understand the point that members of the medical profession are making—and I agree that the Government need to look again at this part of the Bill as it makes its progress through the other place—I am concerned that the Conservative amendments would narrow the options down too much. I believe that local safeguarding children boards will need to share information on issues other than just the serious case reviews. Those reviews might well be the most important aspect of the work, but they take place after something has gone wrong, and LSCBs should also be involved in prevention. Information should be shared, for example, in cases of child abuse and the sexual exploitation of children. A serious case review might have been undertaken on one member of a family, but information about another member of that family—baby P's sister, for example—might also need to be shared.

I acknowledge what the Conservative amendments are trying to do, but they have been drafted too narrowly to achieve the necessary improvements in information sharing. Also, they do not take on board the fact that, if other functions are to be carried out properly, they will require the information to be shared fully.

Tim Loughton: In what cases does the hon. Lady think it would be legitimate to place a statutory responsibility on various agencies to provide information to an LSCB? How would she address a situation in which a doctor chose not to co-operate with an LSCB—under their Hippocratic oath, or whatever—because they felt that there would otherwise be a breach of patient confidentiality? What penalty would she apply in such a situation, and how on earth would she impose it?

Annette Brooke: I thank the hon. Gentleman for his intervention, because it takes me on to amendment 88, which was tabled by the Liberal Democrats. In it, we try to tackle that issue in a slightly different way. It proposes:

"Provision must be made for appeals by those persons who consider it to be unreasonable or improper to supply the specified information to the Local Safeguarding Children Board under this section."

That seems to cover the point that was just raised. My request is for the Government to take this back and have another long look at it. The Bill is drafted too widely at the moment, and it is going to need quite a lot of work—and, I suggest, consultation—to get this right. We offer one solution through an appeals process.

5.30 pm

Briefly, amendment 90 is designed to strengthen the inspectorate process by changing the "may" to "shall". I want to move on to new clause 10, which hon. Members will not be surprised to hear that I want to discuss.

Tim Loughton: Before the hon. Lady does so, I wish to point out that we seem to have a huge difference in our amendments, as we have changed "may" to "will", while she has changed "may" to "shall"—but I suspect that we are on the same side. Will the hon. Lady elaborate a little more on amendment 88, as I asked her about what would happen if someone refused to co-operate, and I am not quite sure how her appeals system will work or who will police it?

Annette Brooke: I thought that I had answered the hon. Gentleman by suggesting that there could be an appeal mechanism. *[Interruption.]* I am quite comfortable with the need to amend the Bill, and I hope the Government will take the lead on it, but we will need consultation on the details of how it will work. It cannot be right to share information only in respect of serious case reviews, as the Conservatives suggest, because there are many other instances where it will be necessary, as I am sure that the Secretary of State will tell us. Equally, I cannot believe that every single function of the safeguarding children board will require such sharing of information.

I share the concerns already expressed by the Children's Rights Alliance about how children themselves will feel about the sharing of information. It is always one of my great concerns whether children and young people will seek help from organisations if they feel that information about them is going to be shared. Doctors sometimes work confidentially in the best interests of the child, but the child might not seek help if they felt that the information was going to be shared.

The Secretary of State for Children, Schools and Families (Ed Balls): I am listening carefully to the concerns raised by the hon. Lady—and, indeed, the hon. Member for East Worthing and Shoreham (Tim Loughton)—that some practitioners, such as GPs, might not be willing to share information, because of the potential breach of parent confidentiality. Does she not think, however, that GPs might be more reluctant to share information in the compilation of a serious case review if they thought that it was going to be made public? Would that not make it less likely that GPs would co-operate with the process for the very reasons put forward by both Opposition Front-Bench teams, which seem wholly to contradict the argument that they made about the publication of serious case reviews?

Annette Brooke: It is extremely important to change the culture when it comes to co-operation on serious case reviews. I find astounding the suggestion that professionals will hold back, as it is part of their job or their oath to their profession not to do so. As to the confidential aspects, we are talking about redacting and anonymising where appropriate. We are talking about two different cases here, and I question whether we really need to share information about all the functions. It is for the Secretary of State to respond to that point in due course.

Let me move on to new clause 10. If it had not been tabled in the first place, we would not be where we are now. Tabling it was therefore an extremely important step. It had already been tabled when, on Second Reading, the Secretary of State said:

"The use of physical punishment against any child is wrong; it is outside the law and is not fair to children. I do not think that we should tolerate any use of physical punishment in any school or learning setting in which trusted adults are supposed to be looking after children".—[*Official Report*, 11 January 2010; Vol. 503, c. 434.]

That resulted in the contact with Sir Roger Singleton, who said in a letter dated 27 January 2010:

"I have given this matter some urgent thought and I do think there are issues that warrant further exploration."

If the new clause had not been tabled, we would not have reached our present position.

I am very pleased that the Government have asked Sir Roger Singleton to review the use of physical punishment in part-time education and learning settings, but I am worried about the time frame. I accept that it will take some time to view the issue thoroughly, but, not surprisingly, those of us who are concerned about the issue fear that if Sir Roger's response arrives at the end of March, it will not be possible to make much progress. Can the Secretary of State outline a projected timetable?

We should bear in mind that teachers are an example of adults in loco parentis. Most teachers are prohibited by law from using corporal punishment, but there appears to be a gap, in that the prohibition does not apply to teachers providing less than 12.5 hours of education a week. Sports coaches, Sunday school teachers, madrassah teachers, youth workers, private foster carers, babysitters, nannies and unmarried partners are also in loco parentis when they have care and control of children.

We should bear in mind that physical punishment has already been banned in other voluntary provision, such as early years centres, child-minding, private education and part-time education of 12.5 hours or more a week. Surely there is no justification for failing to protect children in the remaining voluntary settings. Professionals and concerned Muslims, for example, have found it difficult to persuade parents or children to make complaints about the use of physical punishment. As long ago as 2006, the leader of the Muslim Parliament of Great Britain said the Muslim community was in a state of denial over child mistreatment in madrassahs, and that it was an unacceptable dereliction of duty not to protect those children for fear of being accused of cultural insensitivity. The issue has arisen because the concern was expressed by the Muslim Parliament. Madrassahs are estimated to run nearly 1,600 part-time, weekend or evening Islamic schools, teaching as many as 200,000 children overall.

Mr. William Cash (Stone) (Con): New clause 10 states:

"Only a person with parental responsibility for a child within the meaning of section 3 of the Children Act 1989 can justify battery of the child on the ground that it constituted reasonable punishment."

I may have missed something that the hon. Lady has just said, but I understood her to say that all the people whom she listed should be totally prohibited from carrying out any kind of physical punishment. Surely

"Only a person with parental responsibility"

means that those with parental responsibility would indeed be able to carry out such actions. I think that the hon. Lady is faced with a slight dilemma, or contradiction. Perhaps she could explain her position.

Annette Brooke: It is true that many people think smacking should be banned across the board, but that view has been tested in this House. More recently, however, a gap in the current legislation has been identified. This new clause is not an attempt to rehearse the old arguments; rather, it is intended to be a positive contribution to achieving the ambition of ensuring that our children are protected. Many people would like it to go further, of course, but the framework here is fairly narrow, and I think there will be evidence that this is necessary—certainly, such evidence has already been provided to us.

Mr. Cash: The hon. Lady's new clause states that persons

"with parental responsibility for a child within the meaning of...the Children Act 1989 can justify battery of the child on the ground that it constituted reasonable punishment."

Is she saying nobody should be able to give any reasonable physical punishment to a child? What I want to understand is whether this is absolute or qualified.

Annette Brooke: I thought that I had made it clear that this new clause tackles a particular area that we think has been overlooked and has not been addressed by previous amendments. This new clause builds, however, on a Government amendment from the last time we debated this, which spoke about a justification in terms of reasonable punishment, and I am sure the hon. Gentleman will recall that there was a great deal of discussion about that.

We have moved the agenda forward, but there is still a general issue about whether physical punishment should be allowed. More specifically, we currently have a situation in which one group of teachers is banned from using physical punishment while another group of teachers is not, and that should be addressed.

I should also point out that there may be physical punishment in some Christian Sunday schools. Also, of course, beliefs that children can be witches or be possessed by evil spirits and need to be physically punished are prevalent in certain African Christian churches in the UK—the Victoria Climbié case falls into that category. In respect of part-time teachers, concerns have been raised about children being abused by sports trainers. I am sure such cases are rare exceptions, but we should have consistency.

Mr. Timpson: Will the hon. Lady give way?

Annette Brooke: I think that I have given way enough.

We believe the most practical reform in this context is to amend section 58 of the Children Act 2004. The Government introduced that measure the last time we discussed this, and it was a compromise. We want the defence of reasonable punishment to be available only to those with parental responsibility.

Mr. Timpson: Will the hon. Lady give way?

Annette Brooke: I am about to conclude, but I shall give way once more.

Mr. Timpson: I am very grateful to the hon. Lady for giving way. Where a child is in the care of a local authority and it shares parental responsibility with the parents, who within the local authority would be categorised as the person with parental responsibility for the child who can therefore justify battery? Also, a child might be in the care of a local authority, and there might be court proceedings that will inevitably result in the parental responsibility of the parents being taken away, yet there might still be some contact between child and parents. How would that anomaly be addressed?

5.45 pm

Annette Brooke: I thank the hon. Gentleman for his intervention and see the point that he is getting at. I can clarify part of it by saying that foster carers who are employed by the state are not allowed to administer physical punishment—there is an anomaly there in respect of private foster carers. I think that that partially answers his point. Obviously there is a concern, which he has justifiably raised, about situations involving a degree of parental responsibility, and I accept that I would need to seek further clarification on that specific point.

I tabled this new clause to keep the matter in front of the Government's eyes. There is an anomaly, the Government have not been able to introduce a better form of words and the organisation that suggested the new clause took pretty senior legal advice on the phrasing—the new clause received serious consideration at that level. The point of proposing the new clause is to ensure that this important issue stays in the public eye, as we do not want it to disappear during an election campaign. The reason why I am speaking at length today is because I want this Government to promise to address this serious issue.

Jim Cousins: I do not intend to detain the House for long, and I wish to address my remarks entirely to new clause 1 and related issues. As a result of my experience of serious case reviews in my city, I am extremely sympathetic to the case made by the hon. Member for East Worthing and Shoreham (Tim Loughton) and the contents of new clause 1. However, I acknowledge that the recent changes made to the workings of serious case reviews and local safeguarding children boards by my right hon. Friend the Secretary of State are also important and ought to be mentioned. I am talking about the fact that the boards should have an independent chair—that is one deficiency that I can see in the matters to which I wish to refer—and that two lay people should be members of these boards. I have met people from my local board to discuss the matters to which I wish to refer, so I am able to say that those lay people might find themselves in a difficult position. If they are to be effective, they will require a great deal of support, back-up and extra bureaucratic and research capacity in order to have the confidence to raise issues as the only lay members in a body that is otherwise dominated by professionals. My Front-Bench colleagues may wish to refer to that later.

I have had the unfortunate experience of dealing with two serious case reviews into the deaths of children. One related to a constituency case where a baby burned to death in a property. The baby's mother had a history of mental illness and other difficulties. At first she said that people from the neighbourhood had come into the house and burned it down—hon. Members will appreciate how damaging that was to the local community—but subsequently it became clear that she was responsible for the death of the child, which triggered the serious case review.

The executive summary of the serious case review, which is all that we now know about the case, rehearses the connections that this young woman had with a number of agencies. It also makes it clear that at the birth of her baby, her attitude changed and she was a devoted and careful mother. Research carried out later, which came to my attention and was brought about by the Department for Children, Schools and Families, leads me to think that this is a classic case of what is known in the research field as "start again syndrome". I am grateful to the research commissioned by my right hon. Friend the Secretary of State for that discovery.

The executive summary of the case review concludes:

"Despite the indications of risk to"

the baby

"which are evident with the benefit of hindsight, it should be acknowledged that he had been a wanted and well cared for baby. His mother was selective in deciding which information she divulged to each agency and in deciding which help she would accept...The events which led to"

the baby's

"death were unpredictable and, as such, could not have been prevented."

When I came to read that some months later, I was deeply troubled by the idea that events that are unpredictable cannot be prevented. That is a leap of logic no one concerned with risk assessment procedures could very easily accept.

When I looked further into the matter, I discovered that at the very moment that the executive summary was released, the local authority issued a press release, embargoed to the time of the release of the executive summary, which began in this fashion:

"A review following the unlawful killing of baby"

X

"by his mother has found that his death could not have been prevented."

[Jim Cousins]

That is, in itself, an extraordinary interpretation of the remarks in the executive summary. The press release, in turn, was accompanied by a statement issued by the author of the serious case review, the first sentence of which read:

"The events which led to"

the baby's

"death were unpredictable and, as such, could not have been prevented."

I find the fact that the three documents were issued within the same time frame quite disturbing as an account of that set of circumstances. I was even more concerned when I discovered the same phrases—expressing the idea that things that could not be predicted could not be prevented—being mentioned in other serious case reviews in other parts of the country, almost as though there was a culture of offering up such phraseology as a justification for the events that had taken place. I am extremely concerned by that.

I looked further into the case and discovered that both serious case reviews carried out within a year concerning the death of children were carried out by the same person, who was the regional chair of a charity that received grant aid from the local authority that was running the local safeguarding children board. I am troubled by that. Let me make it clear that the lady who authored the two serious case reviews did not receive any benefit as a result of the grant aid. I make no suggestion of anything like that, but none the less I am troubled by the idea that two serious case reviews in the same time frame can be carried out by the same person who is also acting in a lay and voluntary capacity and receiving a grant from the local authority that supports the local safeguarding children board. I do not think that that survives any valid test of proper independence.

I am troubled by these matters, as well as by the phrases that express the idea that things that were not predictable could not have been prevented—if we applied them to other matters with which this House deals, we would all be very troubled by them. I am concerned about these matters, which lead me to the conclusion that new clause 1 points us in the right direction, and so I am inclined to support it. I hope that what my right hon. Friend the Secretary of State says in his speech will lead me to a different conclusion, but that is where matters stand.

Mr. Cash: I want to confine my remarks to new clause 10, and the issue of reasonable punishment. With respect to the hon. Member for Mid-Dorset and North Poole (Annette Brooke), I have to say that I found her explanation somewhat confusing. She started out by invoking the Secretary of State and his statements in the context of a letter from Sir Roger Singleton, which will be followed up by a review, saying that the Secretary of State—he is sitting on the Front Bench now, so he can correct me, and the hon. Lady, if he was misrepresented—said that the use of physical punishment was wrong, and that there should be none in schools at all. I do not know whether he wants to take the opportunity to confirm whether that is the correct analysis of what he has in mind. He is sitting there, but he is not listening—

Ed Balls *rose—*

Mr. Cash: He is listening. Good. Is that what he said?

Ed Balls: The hon. Gentleman has just set out the current legal position with 100 per cent. accuracy.

Mr. Cash: That, if I may say so, is something that we need to discuss. The Liberal Democrat proposal in new clause 10 would amend the Children Act 2004, and presumably the Government have a view on that—*[Interruption.]* The Liberal Democrats' chief spokesman, the hon. Member for Yeovil (Mr. Laws), indicates that he is not at all sure that the Government have a view on this, but we shall see in due course whether they do. The Government introduced the Children Act 2004, and the Liberal Democrats propose to amend section 58 of it, which deals with the question of reasonable punishment and represents the Government's position in law at the moment.

Mr. Laws: It might help the hon. Gentleman to know, as he might not have been aware of the context earlier, that when my hon. Friend the Member for Mid-Dorset and North Poole (Annette Brooke) was referring to the Secretary of State, it was in the context of his response to the hon. Member for Keighley (Mrs. Cryer), and a question about whether the specific loophole concerning educational settings should be closed.

Mr. Cash: I understand that but, as I may be able to explain as I move into the argument, the law on this subject is perhaps a little more complex than the hon. Member for Mid-Dorset and North Poole suggested.

Let me go back to what I was saying. The Liberal Democrats propose to insert a new provision in section 58 of the Children Act 2004. For the purposes of the amendment, it may be described as subsection (4A). After subsection (4), the following words would appear:

"Only a person with parental responsibility for a child"

I emphasise the phrase "parental responsibility"—

"within the meaning of section 3 of the Children Act 1989 can justify battery of the child on the ground that it constituted reasonable punishment."

The Secretary of State nods his head—that is the statement contained in the new clause proposed by the Liberal Democrats. It clearly infers—I want to get this out of the way—that those with parental responsibility for a child, within that meaning, could justify the battery of a child on the ground that it constituted reasonable punishment. The question that we must address is whether those in the list that the hon. Member for Mid-Dorset and North Poole read out—sports coaches, madrassahs, nannies and certain people in loco parentis—would fall within that category.

Ed Balls *indicated dissent.*

6 pm

Mr. Cash: The Secretary of State indicates that they would not fall within that category. For the purposes of what I understand to have been an exchange of letters followed by a review by Sir Roger Singleton, the question would turn on whether teachers would be prohibited from taking certain actions.

Ed Balls *indicated dissent.*

Mr. Cash: Perhaps the Secretary of State would be kind enough to explain the situation.

Ed Balls: This is a rather frustrating exchange, Mr. Deputy Speaker. When the hon. Gentleman has finished speaking I will explain the position. I cannot do that at sufficient length in an intervention, but I shall be happy to clarify the position for him as soon as he allows me to.

Mr. Cash: I am grateful to the Secretary of State for his comments, and I shall listen to what he has to say in due course. The argument of the hon. Member for Mid-Dorset and North Poole struck me as being somewhat confusing, but no doubt we will find out from the Secretary of State what he intends to lay down, although the amendment is not his. This is where the confusion arises: unfortunately, the Government have not made a proposal, and things seem to be being done vicariously through the Liberal Democrats' amendment. *[Interruption.]* I can see the Secretary of State's frustration, so I shall give him another opportunity to speak. *[Interruption.]* He says that he does not need it—fine.

The legal effect of section 58 of the 2004 Act—it might be helpful for the Secretary of State to listen to this—is to remove the defence of reasonable punishment in any charge of assault occasioning actual bodily harm, or of wounding and causing grievous bodily harm, under the Offences against the Person Act 1861, or in any charge of cruelty to a child under the Children and Young Persons Act 1933. I think that we all want to avoid any disproportionate treatment, chastisement or punishment of a child that falls within the category of a charge of cruelty, wounding or grievous bodily harm. The problem arises in the context of case law and the interaction between that case law, the Human Rights Act 1998 and the European convention on human rights, which I shall discuss in a moment.

The defence of reasonable punishment dates back to 1860, when the characteristics were spelt out by the judiciary because there were no relevant statutes at that time. In one case, Chief Justice Cockburn said:

"By the law of England, a parent...may for the purpose of correcting what is evil in the child, inflict moderate and reasonable corporal punishment, always, however, with this condition, that it is moderate and reasonable."

The legal position was that it was then left to the courts, or to juries, to decide what was moderate and reasonable in the view of an ordinary person in any particular case. Of course, people's views on such matters alter and evolve over time.

I suspect that the Secretary of State well knows that between 1860 and 2004, a parent who was charged with a crime relating to an assault on their child was able to raise the defence of reasonable punishment. However, since the enactment of section 58 of the 2004 Act, that defence cannot be used unless the defendant is charged only with common assault, the victim is a child, and the defendant is the parent of that child or is a person acting in loco parentis.

Ed Balls *indicated assent.*

Mr. Cash: I am glad to see that we are now in agreement.

Ed Balls: The issue is whether a teacher in a Sunday school or a madrassah should be able to claim the reasonable punishment defence for the use of physical punishment on the grounds that they are acting in loco parentis. That is our concern, and that is what the amendment seeks to address. I was nodding only because I think that we agree on the problem. Obviously, we are anxious to get on to discussing solutions.

Mr. Cash: That is where I am about to move to, but we needed to identify the parameters before moving to questions of substance and merit. It is arguable that there are circumstances in which people in loco parentis—that includes not just parents, but people with parental responsibility, so it is a reasonably wide category—should be able to take certain actions. The question is whether teachers and those in similar positions of responsibility should have the right in certain circumstances to take such action as would be available to a person in loco parentis, and whether they could therefore be justified in taking action that would amount to what one might call, in round language, reasonable chastisement.

I am sure that the Secretary of State knows that there are problems in schools. Evidence has recently been presented to me of teachers being subjected to extremely difficult circumstances, including violent behaviour. We must ask whether there should be a blanket prohibition on certain actions, without regard to the circumstances of the parent or other person in loco parentis. The definition of children includes not only five, six and seven-year-olds, but older children who might be described as youths. That applies not only to boys; I regret to say that these days it might also apply to girls. In some cases a school, or another establishment of the kind to which the Secretary of State and I agree that the rule might apply, might be in such a state that the person who is charged with maintaining discipline might not be able to run things. I have heard from supply teachers, fairly recently, that they have found it absolutely impossible to conduct any teaching in certain classrooms because of the degree of bad behaviour and violence exhibited.

Mrs. Ann Cryer (Keighley) (Lab): Is the hon. Gentleman arguing for the reintroduction of corporal punishment in schools? Is he saying that the problems he is discussing would be solved if teachers could hit those kids?

Mr. Cash: I do not put it in quite such precise terms as the hon. Lady would like to draw me into doing. I am deeply concerned about the shift, since 1998, when the new standards were introduced. I suspect, but I am not absolutely certain, that it was connected with the introduction of the Human Rights Act 1998, which I shall discuss later.

Ed Balls: I am very sorry to disappoint the hon. Gentleman, but it was the Education Act 1996 that banned the use of corporal punishment in full-time maintained schools and full-time independent schools, not any 1998 Act. It was not to do with human rights; it was to do with the Conservative Government of 1996 doing the right thing—perhaps with, or perhaps without, his support.

Mr. Cash: The short answer to that question is that, as I said earlier, all such matters are subject to review in the light of the circumstances of the time. On the whole, one would rather not have corporal punishment in schools, but teachers and those who observe these matters have wondered whether the prohibition against such punishment is justified. That is an important question, as circumstances evolve.

Ed Balls: I hesitate to ask, but does the hon. Gentleman recall whether he voted for or against the 1996 Act? Will he take this opportunity to withdraw the charge that the current provision was driven by a human rights agenda—or does he believe that that agenda had already gripped the Conservative Government back in 1996?

Mr. Cash: The fact that the Human Rights Act was not passed until 1998 would not have prevented somebody from making a judgment based on the European convention on human rights in a case of the sort that I shall describe, because such a case could have gone to the Strasbourg Court. The fact that the Education Act was passed in 1996 not in 1998 does not matter that much, as the ECHR is the essence of the 1998 Act and the rule of incompatibility means that our legislation can be overridden.

This debate goes back to a very important case in the Isle of Man that involved the use of the birch. I am not in favour of that by any means, as I regard the birch as completely unacceptable. What I seek is to determine is whether there is any kind of reasonable physical punishment that falls short of what we would all regard as unacceptable, or whether there is an absolute and total bar on any form of punishment that is physical, as opposed to one that revolves around the writing of lines, exclusion and so on.

I am asking these questions more to invite discussion than to seek a decision. The Singleton review has been referred to, and I hope that it will throw more light on the matter. However, we are in Committee and we have a responsibility to consider—

Madam Deputy Speaker (Sylvia Heal): Order. May I remind the hon. Gentleman that we are not in Committee but on Report?

Mr. Cash: I understand that entirely, Madam Deputy Speaker. However, the right hon. Gentleman is the Secretary of State with responsibility for education, and it is essential that we have proper discipline in schools. From the remarks that he has made from the Front Bench, and from the vicarious comments, it is clear that he would rule out any kind of physical punishment, under any circumstances whatsoever.

My own Front-Bench spokesmen might disagree with me on this matter—if so, it would not be for the first time—but I am inviting the Secretary of State to consider, in his reply, whether there is an absolute ban on physical punishment in schools. For example, if a school was under siege by very violent pupils, is there absolutely no question about the fact that no form of physical punishment could be used by teachers? My question has to do not with the ECHR, but with what is needed in the interests of school discipline.

It has become extremely unfashionable to suggest that there should be some form of physical retribution, and no one discusses whether that might be necessary. By the sound of it, the matter is an absolute for the Secretary of State, as it is for those who subscribe to the ECHR. In my view, however, it is important to have a proper and rational discussion of the question.

6.15 pm

The legal analysis to which I referred earlier also says that

"any injury sustained by a child which is serious enough to warrant a charge of assault occasioning actual bodily harm cannot be considered to be as the result of reasonable punishment. Section 58 and the amended Charging Standard mean that for any injury to a child caused by a parent or person acting in loco parentis which amounts to more than a temporary reddening of the skin, and where the injury is more that transient and trifling, the defence of reasonable punishment is not available."

In other words, reasonable punishment is permitted under the law and the prohibition against it is not absolute. That is strange, as I had rather gathered from the Secretary of State's remarks that there was an absolute prohibition, yet the analysis that I have just referred to makes it clear that there are circumstances in which the law allows those in loco parentis to use reasonable punishment.

The question then arises: should that legal principle be applied in schools? That is the issue. I should be very interested to know whether the Secretary of State is prepared to go down that route, and whether he has any idea of what the Singleton report will propose.

Angela Watkinson (Upminster) (Con): Does my hon. Friend acknowledge that school teachers are sometimes in loco parentis? For example, when a pupil is violent towards a teacher, that teacher must defend himself or herself, and restrain the pupil, without using any physical admonishment at all. That is a very difficult line to tread.

Mr. Cash: That is exactly my point. I entirely agree that teachers are in a difficult position, and that it is easy to have a knee-jerk reaction either way. On the one hand, we can say that there must be absolutely no physical punishment of any description; on the other, however, we have to accept that there can be circumstances when it is impossible for a specific child in a specific classroom to be treated in that way.

Mrs. Cryer: The hon. Gentleman is clearly very knowledgeable on this subject. Has he done a great deal of research? Is so, will he tell the House how often the defence of reasonable punishment has been used in court?

Mr. Cash: It has been used in a great number of cases. As I said earlier, many of them turned on the application of the European convention on human rights through the European Court of Human Rights. One interesting case involved a person accused of engaging in unreasonable behaviour vis-à-vis a child. The jury acquitted the person in question, but the case was then overridden by the European Court on the grounds of human rights.

I find this a very difficult issue. A jury in a criminal case might conclude, on the basis of the evidence given, that the accused should be acquitted. However, when the case is referred to the European Court, that Court can say that it does not care about a decision made under English or UK law. The European Court can say, "We have our principles and we're going to apply them, irrespective of other law." In effect, it can override our criminal law, and I find that very difficult to accept.

What has happened since—this is obviously part and parcel of the proposed amendments to the Children Act 2004 as well—is that the Government have made an assessment of the extent to which, as an absolute rule, there must be no infliction of any physical punishment at all, whether reasonable or not. It appears that that prohibition applies even when the punishment causes a mere reddening of the skin and is permissible according to the legal analysis to which I referred earlier.

Against that background, therefore, I am interested in whether there is an absolute prohibition simply because it is prescribed under the arrangements for the European convention on human rights, which has effectively created a complete prohibition, overriding jury decisions in criminal trials, for example; whether it is—to use an expression that comes up in this context—a matter of philosophical attitude, which is another thing and is discussed at some length in the research materials that have been provided; or whether it is just a knee-jerk reaction, without reference to the impact on the class, the other pupils in the school or the teachers, and without reference to whether there is violence against the teacher or against other children in the class.

In other words, what is the principle that determines whether a perfectly reasonable form of punishment, which is allowed in loco parentis, should be denied in the classroom? That is the question that needs to be properly discussed. I have a feeling, although I might be wrong, that the Secretary of State has taken an absolutist position based on the research materials, which refer to philosophical attitudes and so on. That may be unrealistic.

So we—I and those who think along similar lines—are not anxious to permit any unreasonable punishment, but where it is a legitimate course of action in loco parentis, I am searching for an answer to the question why it is allowed in those circumstances, but not allowed in circumstances where there is violence in the classroom, even against the teacher himself or herself. Why should teachers be denied the opportunity to carry out reasonable punishment of the same kind as a person in loco parentis? That is what I think is important.

New clause 10 proposes as a criterion:

"Only a person who has parental responsibility for a child within the meaning of section 3 of the Children Act 1989 can justify battery of the child on the ground that it constituted reasonable punishment."

Ironically, although the hon. Member for Mid-Dorset and North Poole seemed to be arguing the contrary, the fact is that her own new clause, within the framework of section 58 of the Children Act 2004, admits that a person with parental responsibility for a child can justify battery on the ground that it constituted reasonable punishment. I invite the Secretary of State to respond. He has his own version of events, but the Singleton review will be definitive.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I refer to the exchange between my hon. Friend and the Secretary of State on the 1996 Act. That was predated by the United Nations convention on the rights of the child, which was signed, I believe, by Lynda Chalker on behalf of a Conservative Government. The convention imposes severe constraints on the punishment of children, and from that flowed the consequences that the Secretary of State mentioned in the Act that followed. The concept of reasonable chastisement has been in our common law and understood in our legislation for a long time, and the European Court of Human Rights can and does apply United Nations treaties on these matters when developing its own case law. That is where the confusion, if there were any confusion between the Secretary of State and my hon. Friend, might have arisen.

Mr. Cash: That was a very helpful intervention.

Ed Balls: I hope there is no confusion. If the hon. Gentleman could clarify that there is no confusion, we would not be confused.

Mr. Cash: The Secretary of State is adopting the role of Confused.com and trying to arbitrate in the matter. The question boils down to this: the European convention on human rights and the United Nations convention on the rights of the child both contain, in effect, an evolving prohibition on any kind of physical punishment at all. That is the bottom line. I think I am right in saying that the hon. Member for Keighley (Mrs. Cryer) would agree with that. That is what she would want.

There are those who believe that in a school it is necessary sometimes, in certain circumstances, for some degree of physical punishment to be available but not necessarily used, and perhaps then only as a last resort—I would say definitely as a last resort—to enable the balance of discipline within that school to be maintained. Certain children are so unruly and so violent in their behaviour towards the teachers and others in the classroom that some form of physical punishment may be necessary.

I appreciate that this is a very difficult subject. It will be carefully observed that I am not making a categorical statement, because I have great sympathy with those who would want to keep punishment under severe control, but I pose the question. I hope that when the Bill gets to the House of Lords, if it ever does, it will be considered against the background of the Singleton letter plus the review, and in the light of the sort of considerations that I have raised.

The situation is nothing like as black and white as the Secretary of State or, if I may say so, the hon. Members for Keighley and for Mid-Dorset and North Poole may have thought. There are important questions of balance to be resolved in the interests of the child. Some children need boundaries. That is part of the problem. If they have boundaries, they know where they are.

It is interesting to note that one of the most distinguished judges who has adjudicated on these questions—I think it was Sir Gerald Fitzmaurice—explained with great candour, from his own experience in a court case, why he believed that it was important to strike the balance properly: that there is not an absolute, that children are different, and that some children need different boundaries. Those of us who abhor the idea of inhumane or degrading treatment in the common-sense understanding of that expression might also take the view that there is a balance to be struck.

Mrs. Cryer: Yes, boundaries have to be established with children, but does not the hon. Gentleman understand that those boundaries must be established by parents, not teachers?

Mr. Cash: The problem that the hon. Lady poses is that there are circumstances in the real world where there is a difference in the meaning of the words "in loco parentis" in the home environment or in an environment outside school. For the purposes of society in general, and also for the conduct of the school and the discipline within it, it is not a distinction that can easily be made. If the object of the exercise is to ensure that there is a proper balance of behaviour in the interests of society as a whole, including in schools, one cannot simply say that because it is a school, there can be no reasonable physical punishment whatever, but

[Mr. Cash]

there can be in loco parentis. I could spend some time, although I shall not, on the very wide definition of "in loco parentis". There are many people who would fall into categories not very different from schools. That may be the loophole to which the hon. Member for Mid-Dorset and North Poole was referring.

Angela Watkinson: Further to the comments of the hon. Member for Keighley (Mrs. Cryer), is it not a sad fact that the children who are most likely to exhibit extreme antisocial and unco-operative behaviour in school are those who have not had the benefit of good parenting at home and not been set good examples or taught how to behave in a socially acceptable way? It is extremely challenging for teachers to contain such children so that they do not interrupt the education of others.

6.30 pm

Mr. Cash: I agree. I concede that this is a difficult area, but it is important that we do not lock ourselves into a situation whereby we apply an absolute principle based on the so-called philosophical attitude. There are moral questions that depend on the manner in which, for example, a school can and should be run in the interests of all the people in that school, including all the children in a class and the teachers themselves. There is a balance to be struck. That is what I am arguing for, and part of the purpose of our debates in the House is to try to draw attention to the fact that balances need to be struck.

I have sympathy with and great respect for the hon. Member for Keighley, but I rather get the impression that she takes an absolute position. I do not, and I am searching for, and believe that there should be, a reasonable parameter. We should bear in mind that from 1860 to 2004 the situation was, subject to evolving circumstances, much less difficult than it is now. New clause 10 would make the situation more confusing, and I hope that the Secretary of State's response will be a revelation. However, I do not think that it will avoid the existing problem with getting the balance right between violent children on the one hand and the need for discipline in schools on the other.

Violent children use very harsh physical punishment on teachers and on other children in school, and the question remains to be resolved of whether in the interests of discipline it is necessary to apply, in the last resort, a degree of physical punishment in certain circumstances to such violent children in school. In the interests of discipline in schools and good order in society, I am interested in, and shall listen carefully to, what the Secretary of State has to say. There is nothing absolute about our position; I wait to see whether there is anything absolute about his.

Joan Walley (Stoke-on-Trent, North) (Lab): You will be pleased to know, Madam Deputy Speaker, that I shall not detain the House for long with the few comments that I wish to make. This far-reaching debate has come a long way from its starting point, when the hon. Member for East Worthing and Shoreham (Tim Loughton) seemed to tell us that we should substitute our discussion about the functions of the local safeguarding children boards with the concern that they should concentrate only on serious case reviews.

I want to flag up to my right hon. Friend the Secretary of State the importance that I attach to the many functions of the local safeguarding children boards, to the need to have proper resources to train the people who are affected by those boards and, particularly, to the need to have resources in schools to ensure that all teaching staff are properly inducted. I include temporary agency staff in that, because there is a lot of reliance in schools on such teachers, and I urge my right hon. Friend to comment on the national talks that he is conducting with the NASUWT.

There are also employment and disclosure of information issues. The Independent Safeguarding Authority, with its new remit, must make its decisions in close consultation with the teaching unions, and we must ensure that temporary supply teachers are properly and thoroughly inducted into the way in which schools go about their responsibilities to implement the functions that we are discussing under this group of proposed changes.

Ed Balls: This has been a full and substantive debate, covering a wide range of issues. On the spirit of the debate, may I say that the contributions of all speakers have been thorough, measured and important? Over the past year there have been times when I have regretted the partisan and political tone that has crept into the issue of safeguarding, but it has not done so today, so I shall respond fully to all the points that have been made. If this is what the Public Bill Committee was like, it must have been most enjoyable to be a member. The Schools Minister has told me many times that he would have liked to have spent more days in Committee, but, sadly, that opportunity has passed him by.

I shall try to respond as quickly as I can, because we want to discuss family courts and transparency and, in the time that is available, we hope to address important issues, such as home education, too. With your permission, Madam Deputy Speaker, let me briefly address the issue of smacking and new clause 10 before moving on to the safeguarding issues that have been raised today.

The hon. Member for East Worthing and Shoreham (Tim Loughton) said that debates about a children's Bill are almost always hijacked. Until about 40 minutes ago, we thought that we had avoided that fate, but no: there has been a hijacking by the hon. Member for Stone (Mr. Cash), although it felt like he was hijacking his Front Benchers, rather than ours. I am happy to give the hon. Member for East Worthing and Shoreham the opportunity to clarify that Conservative Front Benchers do not propose to repeal the Education Act 1996 and re-introduce corporal punishment in schools. To be honest, I do not need to ask, because no one takes that position. However, in response to the hon. Member for Stone, I shall clarify the situation and then respond to the hon. Member for Mid-Dorset and North Poole (Annette Brooke) and my hon. Friend the Member for Keighley (Mrs. Cryer).

The position in law is that a teacher in a maintained school can use reasonable force to protect their own safety or that of a child or young person in order to separate a fight. There is no prohibition on the use of force in those particular and prescribed circumstances, but the 1996 Act is clear that the use of force for punishment in full-time maintained schools and full-time independent schools is prohibited in law. Soon, part-time independent schools will be covered, too. It is illegal to use force for punishment, as opposed to protection.

Under the 2004 Act and section 58, in particular, it is allowable, as the hon. Member for Stone said it has been for many decades, for a parent or someone in loco parentis to use the reasonable punishment defence for the use of force, but not for causing harm such as actual or grievous bodily harm. The provision in section 58 applies only to common assault. As I said to my hon. Friend the Member for Keighley, it became clear when the issue was raised some weeks ago that there is a grey area within the definition of in loco parentis. Some individuals can be described as acting in loco parentis, and they could therefore use reasonable punishment outside of a full-time maintained school—where they cannot use that defence. To us, such individuals might look more like teachers than parents. An example would be the madrassah teacher, the Sunday school teacher or the sports club coach, and the question arises: can they use the reasonable punishment defence as a reason to strike a child legally?

Mr. Cash: Will the right hon. Gentleman give way?

Ed Balls: I have been really indulgent. If I could just set out the current position, I shall absolutely take an intervention.

As I understand it, there are two different forces at work here. The hon. Member for Stone wondered whether we should extend the in loco parentis option for using force into full-time maintained schools, and argued that there may be—he did not say this absolutely—circumstances when a teacher should have the right to use the reasonable punishment defence to strike a child. That means that he wants to move from the grey area by making it possible to use that defence in schools. As I understand my hon. Friend the Member for Keighley, new clause 10 tries to go in precisely the opposite direction by defining someone acting in loco parentis only as someone who is genuinely the parent with parental responsibilities.

In replying to earlier debates, I said that as far as I was concerned, a teacher should not be striking a child whatever setting they are working in, but there is clearly a grey area in law. I then wrote to our adviser, Sir Roger Singleton, to set out my concerns about that grey area following discussions with the hon. Member for Mid-Dorset and North Poole, and particularly my hon. Friend the Member for Keighley, and I asked Sir Roger to look into the issue and report back to me. He wrote to me on 27 January. In that letter, he said that he, too, was worried that there was the potential for people who were acting in loco parentis by teaching a child at arm's length from the role of parent being able to use the reasonable punishment defence. He referred to Saturday and Sunday school teachers, youth workers, music teachers or home tutors, and went on to say:

"There is another group—those carers without parental responsibility to whom parents may entrust their children, such as step-parents and grandparents, or…friends and babysitters—who may also"

be in the "in loco parentis" category. They would not be the parent under the definition referred to in the Bill, but might be seen by us as somebody who was acting in a parental way. If I, as a parent, sent my child to a Sunday school, I would not expect the Sunday school teacher to strike my child, but if I had entrusted them to a grandparent or a step-parent, the question would be whether I thought that that situation was more like that of the Sunday school teacher or someone acting with parental responsibility.

Sir Roger said that we needed to think harder about this before we reached a conclusion. New clause 10 would mean that only a parent or guardian would be able to use a reasonable punishment defence, so it would exclude not only the Sunday school teacher or madrassah teacher but the step-parent, grandparent, friend or babysitter. Many of us would think that that went too far, and that is why we are worried that the definitions in the new clause are too restrictive. That was certainly Sir Roger's concern when he wrote to me in January. He also wanted to know how this would operate in practice and how we would ensure that it was properly monitored.

Sir Roger told me that he needed more time to produce his report. To be honest, he asked, as independent experts always do, for more time than I wanted to give. I asked him whether he could come back to us by the end of March, and he said that he would. I guarantee to the House that I will respond to his report on the day that he makes it. The hon. Member for Mid-Dorset and North Poole spoke of wanting things done before we go into purdah. I do not know what timetables we are going to have— Lord Mandelson has not yet told me of his plans, nor of the Prime Minister's—but when the report comes out at the end of March, I will respond immediately. My expectation, and my personal view, is that the right thing for us to do is to tighten up the law. I would rather move more in the direction of a tighter definition than of a wider definition. I am sympathetic to the views of my hon. Friend the Member for Keighley and the hon. Member for Mid-Dorset and North Poole, but at the moment we do not know quite how to define this, and that is why Sir Roger needs to finish his work. We will have that report, with a response from us, in the public domain at the end of March.

Mr. Cash: I am grateful to the Secretary of State for his clear exposition of where he stands. However, this question still remains: would he prefer simply to use the term "parent/step-parent", for example, or perhaps include "grandparent", and leave it at that? It may be that he and I would not agree even on that, but at least it would remove a lot of the problems relating to the expressions "in loco parentis" or "parental responsibility", which the courts have extended in a whole variety of ways. From my point of view, I would want this to be less restrictive, but would the Secretary of State—

Madam Deputy Speaker: Order. I hope that the hon. Gentleman is going to conclude, as he knows that interventions should be brief.

6.45 pm

Ed Balls: The answer is set out in Sir Roger Singleton's letter to me of 27 January, in which he says:

"We need to consider very carefully the appropriateness of Government regulating arrangements that parents or carers make with others for the care and instruction of their children voluntarily and for relatively short periods, outside of mainstream education or other settings already covered by a ban on corporal punishment. Any regulation must be proportionate and involve the minimum possible interference in family life."

He then talks about different considerations in different kinds of settings and for different groups of parents, and says:

"In arriving at a way forward, whether…legislative or not, I do think it will be important to give careful consideration to the…evidence and to consult…stakeholders"

[Ed Balls]

to ensure that we get this right. My view is that there is a grey area—a loophole. I personally would favour a tightening-up of the position. I do not want to pre-empt Sir Roger's work, but I think that his direction of thinking will be towards a tighter definition of "in loco parentis", but perhaps not one that goes as far as the particularly tight definition in new clause 10. I am not ruling out the possibility that we might end up with a similar definition to that in the new clause, but I would rather wait for Sir Roger to report before reaching a view.

Annette Brooke: I thank the Secretary of State for the assurances that he has given. As I said repeatedly, I wanted to keep this issue on the agenda and to stay focused about it. His responses to us today have been very satisfactory, and we await the next responses.

Ed Balls: The hon. Lady is right. It was because people in this House, and people with expertise and direct personal experience, including my hon. Friend the Member for Keighley, raised particular issues, that the matter is on the agenda. I fear that the hon. Member for Stone may want to broaden the agenda further than I, and probably those on both Front Benches, would seek to do. I am happy to consider a further amendment at any point, but I hope that we now have enough clarity to move forward.

Let me turn to the safeguarding issues that were raised—some hours ago, as it now seems—by the hon. Members for East Worthing and Shoreham and for Mid-Dorset and North Poole, and then by my hon. Friends the Member for Newcastle upon Tyne, Central (Jim Cousins) and for Stoke-on-Trent, North (Joan Walley). The hon. Member for East Worthing and Shoreham contextualised this by looking back over the past year. He pointed to the fact that we have just passed the anniversary of the tragedy of the death of baby Peter and that we have had, since then, other individual acts of cruelty and suffering that are very distressing. He referred to our frustration and upset that this should have happened in Haringey after the death of Victoria Climbié, which was now 10 years ago, pretty much to the day.

I think that the hon. Gentleman gave credit to some of the progress that has been made in the past year, although probably insufficiently so. We have had today the publication of Ofsted's second inspection report, following the first joint area review inspection a year ago, which gives a good report on Haringey children's services and the progress that has been made in the past year. I would like to put on record in the House my appreciation to the leader of the council, the director of children's services and the chief executive for the progress that they have made, which Ofsted has recognised today, while not for a minute suggesting that we are out of the woods. There is still more to do to ensure that children are fully and properly safe in Haringey, but there has been real progress there. There is also the work of the social work taskforce, which the hon. Gentleman mentioned, under the chairmanship of Moira Gibb. This has been seen, by the taskforce itself, and by the wider social work world, as a real watershed moment—that was the language that it used to describe the extra investment, support, challenge and training that are now going into the social work profession.

The hon. Gentleman talked about a collapse in morale, but in the past few months more people have come forward in response to our advertising and said that they wanted to be considered for training as social workers than at any time for many years. That shows that out of a tragic situation and tragic circumstances, there is a fuller understanding of the role that social workers play.

I was particularly heartened when *The Sun*, not a supporter of the Government these days, ran an editorial in September praising the work of social workers. That was one reflection of the changing mood over the past year. It is not right to say this is a time of only bad news for social work. In fact, out of a tragedy a year ago, and, I would like to think, through cross-party effort—at times it has not felt as cross-party as one might have thought it would be on such a sensitive issue as child protection, but let us put that to one side—we are in a stronger position than we were then. That is not least because of the work of the social work taskforce following Lord Laming's excellent report published almost a year ago.

Tim Loughton: I genuinely hope that we do get more people coming forward to be social workers who are of sufficient calibre and are trained to a sufficient standard to do the job that we desperately need them to. However, will the Secretary of State not admit that back in 2002, when there was a recruiting exercise for more social workers, a lot of people came forward but very few stayed the course and went on to be the child protection social workers of the great calibre that we need? We are in danger of the same thing happening now.

Ed Balls: As the social work taskforce has stated, initial training, training within the profession, pay and progression and the supervision of social workers at the front line by management have all been inadequate for years. They are now being addressed, because of the taskforce's work, Lord Laming's impetus and the tragedy of baby Peter a year ago, in a way that is revolutionary and quite different from anything that we have seen in recent years. That is why I am cautiously confident that we will be able to look back on last year and say that 2009 was the year when, for the first time, we properly recognised, financed, resourced and supported the role that social workers play, particularly in the difficult area of child protection.

John Hemming: Does the Secretary of State share my concern at the fact that the number of serious incident notifications to Ofsted in 2009 was substantially more than in 2008?

Ed Balls: The rise in referrals, which means that harm is coming to the attention of the authorities, has been a real challenge for children's social services departments around the country. It has been the result of the heightened awareness of child protection issues among not just social workers but other individuals and professionals who work with children. The hon. Gentleman is right that there has been more awareness, which has led to more pressure on the system.

John Hemming: I apologise to the Secretary of State for not having been very clear. By "serious incident notifications" I meant the notifications to Ofsted that are the formal process by which most serious case reviews are kicked off following the death of a child. The increase in serious incident notifications in 2009 compared with 2008 refers to those following the death of a child.

Ed Balls: As the hon. Gentleman knows, there has been a downward trend over recent years, but if there was a greater rise in notifications last year, we will need to examine and understand it. I am aware of that matter, but I do not believe one can say that it is a consequence of the events that happened a year ago.

I turn to particular issues raised by the new clauses and amendments. As I have said, Lord Laming reported last spring and talked about our having

"a sound framework for professionals to protect children and promote their welfare",

but stated that we needed a step change in how it was applied consistently across the country, particularly to

"ensure that leaders of local services accept their responsibility to translate policy, legislation and guidance into day-to-day practice on the frontline of every service."

He stated that that was the only way to ensure that children were safe. The measures that we have debated today will take forward Lord Laming's recommendation in two areas—further strengthening the serious case review process and improving the working of local safeguarding children boards. We also debated those matters in relation to new clauses 1 and 21.

The statutory guidance "Working together to safeguard children", which we have updated in recent months in line with Lord Laming's recommendations, is an important step forward. We have already strengthened the requirements in that document to have thorough, comprehensive serious case reviews whenever a child is seriously harmed and to ensure that immediate lessons are learned and implemented before the publication of the executive summary and the completion of the full review.

I know that there is debate in the House about the publication of full serious case reviews, and it has arisen again in recent weeks because of the executive summary of the Edlington review following the tragic events in Doncaster last year. It is important to say that the executive summary of that serious case review, which Ofsted rated as a good summary, was drawn up under the old, more restricted guidelines for the preparation of executive summaries. It would not be state-of-the-art today. The hon. Member for Mid-Dorset and North Poole made powerful points about her reaction having read the serious case review, and I had the same reaction. I was shocked and surprised by the extent of multiple engagement of children's services in Doncaster with the child in question. Under the new guidelines, that would be more fully set out in the executive summary than it was under the one drawn up on the old basis.

I say to the hon. Member for Stone that it was clear in that case that the children who had perpetrated the crime, for whom there can be no excuse, had themselves been subjected to either witnessing the physical harming and abuse of the parent in their household, or to physical harm and abuse themselves from the adults there, over a number of years. It is important to say that in the context of the remarks that we heard earlier about the importance or otherwise of children learning boundaries through punishment and physical harm. Those boys did not learn boundaries, and they lost any moral sense because they grew up in a family in which there was none. That was part of the problem.

The hon. Member for Mid-Dorset and North Poole has read the serious case review, but it would have been impossible to publish it even in redacted form without putting into the public domain the details of the harm suffered not just by those boys but by other siblings in the household. Those details could then have been seen by other children, young people and adults in the same part of Doncaster. That would have been the wrong thing to do not only for the boys who perpetrated the crime but for the victims of the crime, whose suffering is there for us to see in the serious case review, and for the other siblings, who were not named in the court case but are named in the review. The harm that they suffered, which is material to the case, would have been there to see. I defy the hon. Lady to say to me that the serious case review could be published in a redacted form without putting those children in jeopardy.

I make that argument about publishing serious case reviews on the basis not of my judgment but of advice that I receive. I cite my usual sources—Lord Laming, the child protection expert; Sir Roger Singleton, our child protection adviser; the Association of Directors of Children's Services; the Association of Chief Police Officers; and the NSPCC. They all agree that publishing full serious case reviews would be wrong, because it would put children at risk and make it very difficult for professionals to co-operate in what is not an independent inquiry into who did things wrong but a process to ensure that lessons are learned.

The hon. Member for East Worthing and Shoreham said, "This will not be good enough. What we are going to hear is the same old excuses trotted out by children's charities for whatever reasons." I have to say that he does the NSPCC a disservice when he belittles its view on the publication of full serious case reviews.

The NSPCC wrote to me at the beginning of February—in the public domain—after those issues were raised in the House, to say that it does not agree with the publication of full SCRs. In the letter, the NSPCC states that it believes

"that the proposal does not take into account two important consequences: the possibility of further harm to surviving and subsequent children of the family; and the hesitancy of children, young people and their families to cooperate with the review process."

The NSPCC is right on that point. I urge the hon. Member for Mid-Dorset and North Poole, who is an expert in these matters, to think hard again about the proposal to publish the full SCR in the face of all the advice of all the experts, including the NSPCC, which thinks it would be the wrong thing to do in the interests of the safety of children.

7 pm

Annette Brooke: I absolutely agree with the Secretary of State that sections of the review would have needed to be redacted, particularly to protect the children who were attacked and their families, and the family of the attackers. However, I repeat to him we are proposing a change in the thought process, so that we start by deciding what can be published. There were pages detailing miscommunication in the review that I believe should be in the public view.

Ed Balls: I completely agree with the hon. Lady that we need a change of thought process. The NSPCC laid down a challenge to us in its 2 February letter to begin that change. I believe that the NSPCC would agree that we did so with Lord Laming's report a year ago, when we started to change "Working Together". All I would

[Ed Balls]

say is that the NSPCC is clear that even in redacted form, publishing the full SCR would put children at risk and stop them, young people and their families from co-operating with the full SCR process. That is why it is against publishing the full SCR.

Tim Loughton: I am grateful to the Secretary of State for being true to form by trooping out the usual suspects, including the NSPCC. I have some questions for him. First, why was the letter that he sent to the NSPCC, which contains information that is very germane to today's debate, released to my hon. Friend the Member for Surrey Heath (Michael Gove) at only 3.12 pm this afternoon, just before we started the debate, and why was it not made available to other Members of the House? Secondly, on the NSPCC, how many times has the NSPCC been mentioned in executive summaries of SCRs? Would the NSPCC have been mentioned in the executive summary of an SCR into the Victoria Climbié case, because it was certainly implicated in the full Laming report? It is most likely that that would not have come out in an executive summary.

Ed Balls: I hear the hon. Gentleman's point, but I do not agree with it. I do not agree that the NSPCC is a "usual suspect", and I do not believe that it makes its arguments for self-interested motives as a way of trying to cover up its role in any cases. The NSPCC is an upstanding, highly respected, very professional organisation. To talk down its contribution to the debate by suggesting that it is trying to cover up its complicity in past failures is actually wrong and completely unfair. I do not know how many times the NSPCC has been in executive summaries—I have not checked.

If the hon. Member for Surrey Heath (Michael Gove) had been in the Chamber before now—he has only just arrived—he might have made the point about the letter himself. I wrote to the NSPCC today, because I wanted to be able to refer to its letter in the debate. In my letter to the NSPCC, I stated that it has raised serious issues regarding the monitoring of SCRs and the implementation of its recommendations one year on. We will ensure that when we publish our progress report one year on from the Laming review in the next few weeks, we will incorporate the NSPCC's views following our discussions and meetings.

It is important to ensure that the SCR and the executive summary is a strong and good document. Independent assurance and compliance are very important, and we will ensure that we respond on those matters in the next few weeks. However, publishing SCRs and ignoring the NSPCC would be quite the wrong thing to do. That is why I urge hon. Members to reject new clause 1.

Mr. Timpson: Will the Secretary of State address the proposal in new clause 1 on the appointment of the author of SCRs? Is he satisfied with the current process for doing that in the light of the extremely enlightening examples given to us by the hon. Member for Newcastle upon Tyne, Central (Jim Cousins)?

Ed Balls: I was coming to that issue. My hon. Friend the Member for Newcastle upon Tyne, Central made important points. He has raised questions in the past as to whether the authors of SCRs are properly independent. As he knows, one reason why the first SCR into baby Peter was rejected and redone was precisely that it was not seen to be drawn up independently. Following Lord Laming's report this spring, we have now changed our statutory guidance to reflect the view that the SCR must now be independently chaired. That is a requirement in law. We also now have a training package for SCR chairs and overview authors to ensure that they are properly prepared for that work. Lord Laming's work addressed exactly the issue that my hon. Friend has raised. It is true that some SCRs were not independently drawn up—

Madam Deputy Speaker: Order. I apologise for interrupting the Secretary of State, but it is difficult for *Hansard* writers to hear him when his back is to the Chair.

Ed Balls: I apologise, Madam Deputy Speaker—I was addressing my hon. Friend the Member for Newcastle upon Tyne, Central. His points are important, and they have been addressed by Lord Laming's recommendations.

Amendments 35 to 40 are on whether we should list agencies that contribute to SCRs. We are clear that the executive summary needs to have a much clearer time line of what has happened in cases. I do not think that that happened fully in the Doncaster-Edlington SCR, but it will under the new guidelines.

Practitioners must be confident that they can disclose relevant information in co-operating fully with SCRs. I do not believe that any steps should be taken that would reduce the willingness of individuals to contribute to SCRs. That is not the right way to go. However, it is important—Lord Laming highlighted this in his report—to ensure that all information can be given in the SCR process. The measure clarifies that position.

The amendments would mean that such information is provided only to SCRs. However, there will be occasions on which LSCBs have an obligation to collect information for reports that are not SCRs. For example, following the death of a child, the LSCB must ask professionals to provide information, so that it can produce the child death review, which it must now provide after the death of every child. That can go widely to involve, for example, deaths from road traffic accidents or sudden infant death syndrome, when it is important to get information from general or hospital practitioners.

It is also important for the LSCB to know—this relates to the point made by my hon. Friend the Member for Stoke-on-Trent, North—that adequate safeguarding procedures training is being done in our schools for full-time and temporary staff. Again, that is a matter for the LSCB. To restrict the collection of information only to SCRs would undermine child death reviews and that important staff training function. Again, I therefore urge hon. Members not to press their proposals to a Division.

On amendment 88, which is on requests for information related to an SCR, it is important to ensure that the LSCB has proper information-sharing arrangements and protocols, and that they are properly kept under review. We are speaking to the agencies on those matters, and we will clarify the situation and revise statutory guidance to ensure that that is done properly. Again, we can do that without the amendment.

Amendment 48 and consequent amendments are, in our view, unnecessarily restrictive on Ofsted's role. It is clear what the role of Ofsted is in inspecting the effectiveness of LSCBs. We will ensure that that happens through the regular area-wide reviews. We can also ensure that Ofsted looks at the compliance report that we will produce one year on after every SCR. However, in our judgment, we do not need to place the restrictions on Ofsted that are proposed in amendments 48 and 90.

In a few weeks' time, we will publish our progress report, a year on from Lord Laming's report. We now have the national safeguarding delivery unit up and running, which is a step forward. We have already revised "Working Together", and will do so further following the input of the NSPCC and other organisations, to ensure that we have full, state-of-the-art executive summaries for serious case reviews, and that actions are properly implemented and monitored. We think that the restrictions in the amendments are unnecessary, and in particular we believe that to publish the full serious case review as a matter of policy—in the face of all the expert advice from all those people working in child protection—would be a backward step for children. It would put their safety at risk and mean that they, their families and other professionals would be less likely to co-operate. That would mean that we would be less likely to learn the lessons of terrible incidents in the future. It would be a retrograde step for child protection, and I urge the House to reject new clause 1.

Tim Loughton: I concur with the Secretary of State that we have had a good debate. It was a debate that we needed to have, because we missed having it in Committee. It has been constructive and measured, and almost non-partisan. But it ended with the Secretary of State not really giving us any assurance that we have moved on. He said that clauses 28 to 30 took the strengthening of serious case reviews forward. How? Serious case reviews are not even mentioned on the face of the Bill. We are only debating serious case reviews today because of our amendments and new clauses. Everything that the Secretary of State talked about has not happened, and the public do not have confidence that it will happen to the extent necessary for people to feel again that children and vulnerable families are being properly safeguarded.

We had an interesting, if confusing, debate on new clause 10; at one stage it entered a parallel universe. I was very interested in the comments by my hon. Friend the Member for Stone (Mr. Cash), and it was very useful that the Secretary of State cleared up the confusion by saying that there is no confusion, and that we are not confused about what we are not confused about—and that what we are not confused about we do not know we are not confused about. That made everything very clear. I was disappointed with my hon. Friend the Member for Stone because it took him 11 minutes before he gave the issue of reasonable chastisement a European dimension. Clearly he is slow off the mark after the half-term recess.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) spoke to the new clause, and I concur with the Secretary of State that there is a grey area that may need to be addressed in legislation. The hon. Lady was right to say that the only reason why we are debating this issue today is that amendments were tabled in Committee that we were not able to debate. The result is that Sir Roger Singleton has been engaged to look into those grey areas and report what action, if any, is required. So the job has been done. We now await empirical evidence of whether changes need to be made. By the hon. Lady's own logic, I would have thought that she would not press the new clause to a Division. We need to hear the evidence, not to prejudge it. In any case, smacking has always been an issue for a free vote on this side of the House.

7.15 pm

The hon. Member for Newcastle upon Tyne, Central (Jim Cousins) made some pertinent points from real experience of horrific deaths in his constituency involving serious case reviews that had not passed muster—contemporary serious case reviews that were not complementary, and which raised serious questions about the independence of their authorship. One phrase he used that struck me in particular was "the culture of justification" of what had taken place. That is why we need a radical change. We cannot go on producing the same old serious case reviews with assurances that we now have comprehensive executive summaries and everything has been done under the new system. We are still not entitled to see the evidence. We still cannot see the proof that what went wrong has been properly laid bare, or that what needs to go right in the future will do, because the lessons have been learned. They will continue to be kept secret, and that is not acceptable. If we are to restore any confidence in the system of safeguarding children, transparency and accountability have to underlie everything to do with serious case reviews and learning the lessons.

The hon. Member for Stoke-on-Trent, North (Joan Walley) slightly confused the points that I made about our amendments and the functions of LSCBs. The clauses in the Bill refer only to the supply of information. The hon. Lady rightly said that LSCBs conduct a range of other useful functions, including training. It is right that they should do so, and our amendments would affect none of that. The amendments refer only to the supply of information, so she need have no anxieties on that score.

The executive summary of the horrific case in Edlington, and the disparity with the full 150-page serious case review, blew the whole scam sky high. It has been clearly shown that there was no resemblance between the full serious case review—which was to be kept secret, available only to a small select body of people—and the 11 pages of comprehensive executive summary. There is no excuse for officials and councillors in Doncaster, either of their own volition or under instruction from the Secretary of State, not to publish if not the full serious case review, a much bigger version of it. A system in which the public are denied the full story—or, as in the Doncaster case, are actually misled about what really happened—can have no credibility. Without that information we cannot learn the lessons, rectify the mistakes, or move on.

The Edlington serious case review may not have been suitable to publish in full; I do not know. That is why the amendments contain serious caveats about publication not being detrimental to the welfare of surviving children or their siblings, and about anonymity. The families of the people involved in the Edlington case are sure that they want to know the full story. They want to see the

full serious case review published. Everybody in Edlington knows who all the characters are—if they do not, they can find all the names on the internet—and there is no excuse for not publishing that serious case review.

The Secretary of State made play of my comments about the NSPCC. It does much good work, but it has been changing its position on serious case reviews. Recently, in the letter to which he replied—although he did not give us sight of it until 20 minutes before the start of the debate this afternoon—it has come forward with further suggestions. If we have further serious case reviews that reveal further tragic events such as those in Edlington and Haringey in a year or two's time, the NSPCC might be brought round to our way of thinking—that the only solution is a full publication of serious case reviews.

The Secretary of State did not once mention the British Association of Social Workers and the practitioners at the sharp end, day in, day out, dealing with horrific cases, including cases such as those that made the headlines in Doncaster, Edlington, Haringey, Birmingham and other places. They deal with that every day of their professional existence, and that organisation, which represents the very best of many of our social workers, agrees that the only solution is a full publication of serious case reviews.

I want to remind the Secretary of State of the words of a former colleague of his—the former Member for Lancaster and Wyre, a fully qualified social worker, who is now the head of the BASW. Hilton Dawson said:

> "It's vital that these reviews are transparent and can be seen in full, subject only to the need to preserve individual anonymity…These reviews are vital learning tools and it is imperative that they are made widely available."

The Secretary of State chose selectively to pray in aid certain organisations that share his view, but chose to ignore completely the 12,000 members of the professional body of social workers in this country, who now agree with a growing number of people that we desperately need full publication.

We need a fundamental change in the culture of how we approach child protection. That is what the new clause and the amendments are all about. Only if we have full transparency and accountability, subject to the caveats that I have given, will we start to bring about that fundamental change; to restore public confidence in child protection, which has suffered such enormous knocks in recent years; to restore morale within the social work profession, which has taken a huge knock, particularly since the baby Peter scandal; and to ensure that all agencies involved in safeguarding can see clearly where mistakes have been made and work together to ensure, wherever possible, that they are not repeated on their watch or in their patch. That is why, I am afraid, no amount of praying in aid by the Secretary of State of the same suspects will give the assurances that the public need and are entitled to. That is why the time has come to have that fundamental culture change—and that is what our amendments and new clause offer: that is why it is so important to put new clause 1 to the vote tonight.

Question put, That the clause be read a Second time.

The House proceeded to a Division.

Madam Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 172, Noes 277.

Division No. 82] **[7.22 pm**

AYES

Afriyie, Adam
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Conway, Derek
Cousins, Jim
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hunter, Mark
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maude, rh Mr. Francis
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee

Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Smith, Chloe
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Taylor, Dr. Richard
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Fiello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lepper, David
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew

Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and Lyn Brown

Question accordingly negatived.

New Clause 2

INDEPENDENT REVIEW

'(1) The Lord Chancellor may not bring into effect the provisions set out in Schedule 2 of this Act, unless—

(a) the Lord Chancellor has commissioned a full independent review and evaluation of—

(i) the operation of Part 2 of this Act, and

(ii) the impact of the new guidelines on reporting restrictions introduced on 27 April 2009,

(b) the conclusions of the independent review have been set out in a report which has been laid before Parliament.

(2) No review for the purposes of subsection (1) may be commenced before the end of the period of 18 months beginning with the time section 32 comes into force and a full review has been completed of the findings from the pilot allowing for the publication of anonymised judgments alone.'.—*(Mr. Bellingham.)*

Brought up, and read the First time.

Mr. Henry Bellingham (North-West Norfolk) (Con): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following: new clause 6—*Amendment of definitions*—

'(1) The Lord Chancellor may not amend—

(a) the definition of "relevant family proceedings" in section 32(5);

(b) the definition of "professional witness" in section 41(1);

(c) Schedule 3 (list of sensitive personal information) by order made by statutory instrument unless—

(i) the Lord Chancellor has commissioned an independent review of the existing definitions, and

(ii) the conclusions of the independent review have been set out in a report which has been laid before Parliament.

(2) No review for the purposes of subsection (1) may be commenced before the end of the period of 18 months beginning with the time section 32 comes into force and the independent review has been completed.'.

New clause 7—*Limitations on publication of information*—

'The court shall only permit publication of information relating to a case in family proceedings for the purposes of this Act upon the availability of the relevant judgment to that particular case and not before.'.

New clause 8—*Uncontested adoption proceedings*—

'Part 2 of this Bill shall not apply to uncontested adoption proceedings under the Adoption and Children Act 2002.'.

New clause 9—*Identification information*—

'For the purposes of this Act, an account of proceedings, or of any part of proceedings, shall be taken to identify a person ("identification information") if—

(a) it contains any particulars of—

(i) the name, title, pseudonym or alias of the person;

(ii) the address or description (physical or by value) of any premises at which the person resides or works, or the locality in which any such premises are situated;

(iii) the physical description or the style of dress of the person;

(iv) any employment or occupation engaged in, profession practised or calling pursued, by the person or any official or honorary position held by the person;

(v) the relationship of the person to identified relatives of the person or the association of the person with identified friends or identified business, official or professional acquaintances of the person;

(vi) the recreational interests, or the political, philosophical or religious beliefs or interests, of the person; or

(vii) any real or personal property in which the person has an interest or with which the person is otherwise associated; being particulars that are sufficient to identify that person to a member of the public, or to a member of the section of the public to which the accounts disseminated, as the case requires;

(b) in the case of a written or televised account or an account by other electronic means - it is accompanied by a picture of the person; or

(c) in the case of a broadcast or televised account or an account by other electronic means - it is spoken in whole or in part by the person and the person's voice is sufficient to identify that person to a member of the public, or to a member of the section of the public to which the account is disseminated, as the case requires.'.

New clause 19—*Review of family proceeding provisions*—

'(1) The Lord Chancellor must commission an independent review of the operation of Part 2 of this Act and set out the conclusions of the review in a report to be laid before Parliament and considered by the Justice Committee of the House of Commons.

(2) The review for the purposes of subsection (1) must not be commenced before completion of the evaluation of the family courts information pilot or the end of the period of 18 months beginning with the time section 32 comes into force, whichever is the later.'.

Amendment 4, in clause 32, page 28, line 8, after 'publisher', insert 'or author'.

Amendment 5, page 28, line 8, at end insert—

'(a) published only after the judgement is available and is'.

Amendment 6, page 28, line 9, after first 'the', insert 'anonymised'.

Amendment 7, page 28, line 12, leave out 'or'.

Government amendment 111.

Amendment 8, page 28, line 13, at end insert 'or,

'(d) limited disclosure at the request of the parties involved, or upon the Court's own motion in circumstances not covered by the Family Proceedings Rules part XI, as authorised by the powers of Court.'.

Amendment 9, page 28, line 33, at end insert—

'(h) applications under Part II of the Matrimonial Causes Act 1973 (financial relief for parties to a marriage and children of family);

(i) applications under Schedule 1 of the Children Act 1989 (financial provision for children).'.

Amendment 10, page 28, line 34, leave out subsection 6 and insert—

'(6) The Lord Chancellor may not amend the definition of "relevant family proceedings" in subsection (5) by order made by statutory instrument unless—

(a) the Lord Chancellor has commissioned an independent review of the existing definition, and

(b) the conclusions of the independent review have been set out in a report which has been laid before Parliament.

(6A) No review for the purposes of subsection 6 may be commenced before the end of the period of 18 months beginning with the time section 32 comes into force.'.

Amendment 11, page 28, line 34, leave out subsections (6) to (8).

Government amendments 112 to 115.

Amendment 12, in clause 33, page 29, line 12, at end insert

'with agreement of other interested parties related to the case.'.

Amendment 13, page 29, line 13, leave out 'may permit' and insert

'will always make it clear that'.

Amendment 14, page 29, line 13, after 'section', insert 'can be'.

Amendment 15, in clause 34, page 29, line 26, after 'representative', insert

'or other member of any news gathering or reporting organisation or any freelance journalist'.

Amendment 16, page 29, line 30, after 'representative', insert

'or other member of any news gathering or reporting organisation or any freelance journalist'.

Government amendment 116.

Amendment 17, page 29, line 41, leave out 'or'.

Amendment 18, page 29, line 43, at end insert 'or

(v) sensitive or personal financial information'.

Amendment 19, page 30, line 10, after 'court', insert

'and in accordance with the limitations imposed by the Act'.

Amendment 20, page 30, line 13, at end insert—

'(6A) Condition 6 is that the information is not recorded by an accredited news representative or other member of any news gathering and/or reporting organisation or any freelance journalist other than through hand-written or hand-typed notes, and is not recorded visually or audibly.

(6B) Condition 7 is that the publication shall not contain details of any written or oral disclosure by a child or any medical details of a child.'.

Amendment 21, in clause 35, page 30, line 25, after first 'the', insert 'wider'.

Amendment 22, page 30, line 26, leave out 'a person' and insert 'any of the parties'.

Amendment 23, page 30, line 37, leave out 'involved in, referred to in or otherwise' and insert 'directly.'.

Government amendment 117.

Amendment 24, in clause 37, page 32, line 19, leave out 'or'.

Amendment 25, page 32, line 19, at end insert—

'(ba) the information is also sensitive or personal financial information relating to the proceedings, or'.

Government amendments 118 and 119.

Amendment 26, in clause 38, page 32, line 29, leave out 'reason' and insert 'reasonable cause'.

Government amendment 120.

Amendment 27, page 32, line 35, leave out 'reason' and insert 'reasonable cause'.

Government amendment 121.

Amendment 30, in page 33, line 12, leave out clause 40.

Government amendment 122.

Amendment 28, in clause 40, page 33, line 19, leave out paragraphs (a) and (b) and insert—

'(a) the Lord Chancellor has commissioned an independent review of the operation of Part 2 of this Act, and

(b) the conclusions of the independent review have been set out in a report which has been laid before Parliament'.

Government amendment 123.

Amendment 29, page 33, line 23, leave out subsection (4) and insert—

'No review for the purposes of subsection (3)(a) may be commenced before—

(a) the end of the period of 18 months beginning with the time section 32 comes into force, and

(b) a full review has been completed of the findings from the pilot allowing publication of anonymised judgments alone.'.

Amendment 31, in clause 41, page 33, leave out from beginning of line 42 to end of line 2 on page 34 and insert—

'An account of proceedings, or of any part of proceedings, shall be taken to identify a person if—

(a) it contains any particulars of—

(i) the name, title, pseudonym or alias of the person;

(ii) the address or description (physical or by value) of any premises at which the person resides or works, or the locality in which any such premises are situated;

(iii) the physical description or the style of dress of the person;

(iv) any employment or occupation engaged in, profession practised or calling pursued, by the person or any official or honorary position held by the person;

(v) the relationship of the person to identified relatives of the person or the association of the person with identified friends or identified business, official or professional acquaintances of the person;

(vi) the recreational interests, or the political, philosophical or religious beliefs or interests, of the person; or

(vii) any real or personal property in which the person has an interest or with which the person is otherwise associated; being particulars that are sufficient to identify that person to a member of the public, or to a member of the section of the public to which the account is disseminated, as the case requires;

(b) in the case of a written or televised account or an account by other electronic means, it is accompanied by a picture of the person; or

(c) in the case of a broadcast or televised account or an account by other electronic means, it is spoken in whole or in part by the person and the person's voice is sufficient to identify that person to a member of the public, or to a member of the section of the public to which the account is disseminated, as the case requires.'.

[Madam Deputy Speaker]

Government amendments 124 to 132.

Amendment 32, page 34, line 49, at end insert—

'(c) is a person who has provided a sworn statement to the court within the relevant proceedings.'.

Amendment 33, page 34, line 50, leave out subsection (3) and insert—

'(3) The Lord Chancellor may not amend—

(a) the definition of "professional witness" in subsection (1);

(b) Schedule 3 (list of sensitive personal information) by order made by statutory instrument unless—

(i) the Lord Chancellor has commissioned an independent review of the existing definition, and

(ii) the conclusions of the independent review have been set out in a report which has been laid before Parliament.'.

Amendment 34, page 34, line 50, leave out subsections (3) to (5).

Amendment 91, in page 46, line 10, leave out schedule 2.

Mr. Bellingham: I should declare my interest as a barrister, albeit one who has not practised for quite a long time.

Part 2 of the Bill was not debated in Committee. Unfortunately—indeed, scandalously—it is not going to be debated this evening either. That is a great pity, because it contains significant changes. In our view, those changes should have formed a separate Bill in its own right, rather than being tacked on to this important Children, Schools and Families Bill. This is a shabby way in which to treat those involved in the family courts, from the judges through to all the other professionals, including those who work for the Children and Family Court Advisory and Support Service and the expert witnesses who appear in the family courts day in and day out, as well as the families and children themselves.

The Opposition have consistently argued for more openness and transparency in the family courts. We have also regularly emphasised the need for greater consistency between the courts. The press have been allowed into the youth justice courts for the past 70 years, and Judge Nicholas Crichton pointed out to the Public Bill Committee that they have always been allowed into the family proceedings courts, which are of course magistrates courts. Furthermore, the press are allowed into the Court of Appeal when family cases end up there on appeal. Where the problem lay was in the county courts and the family division of the High Court.

Our family courts play a vital role in our justice system, but confidence and trust in them is eroded if their work is constantly shrouded in secrecy. That is exactly what has happened in the past. That is why we pressed the Secretary of State hard to take action, and we warmly welcomed his announcement in December 2008 of the new rules that were to come into force in April 2009. The rules of court were then changed to allow media attendance in all family courts, subject to reporting restrictions and to the court having the power to exclude completely, where appropriate. That was a significant step forward.

We are, however, in the very early days of the new regime. It was combined with the piloting of written judgments. The pilots commenced in November last year, so they have been running for only a short time. They are being undertaken in the magistrates courts in Leeds, and in the magistrates and county courts in Cardiff. There were originally plans to have a third pilot in the magistrates and county courts in Wolverhampton. I hope that the Minister will be able to explain what has happened to that third pilot, as it has not yet started.

The whole idea behind the pilots was for anonymised judgments and reasons to be placed in the public domain. The benefits of that would be assessed, as would the resource implications of the measures. This was also discussed in the evidence-gathering sessions of the Public Bill Committee, in which Sir Mark Potter, the president of the family division, pointed out that the annual costs would be about £2 million. We are talking about a significant, although not huge, amount of money, at a time when the courts' budgets are under a lot of pressure. On the other hand, it is important that we get this right, as it represents another far-reaching step. Our view is that these measures require a full, thorough evaluation. What is the point of running a pilot if it is not studied and evaluated?

We always assumed that the Government would allow the new arrangements to settle in before moving on to the next stage, which would be to amend the primary legislation on reporting restrictions and look into media attendance at placement and adoption proceedings. However, that is the essence of the provisions in part 2. We never dreamt that the Ministry of Justice would amend primary legislation by tacking on various clauses to another Bill, right at the fag-end of this Parliament, when the Government knew that there would be no time to debate these important proposals properly.

The Public Bill Committee took evidence on part 2 from a number of experts who work in the family courts on a regular basis. The list was impressive. The president of the family division, Sir Mark Potter, gave evidence, as did Judge Nicholas Crichton, a well-known judge from the inner London family proceedings court, as well as Barbara Esam from the National Society for the Prevention of Cruelty to Children and a number of other experts. A key point is that, although they supported in principle much of what is in part 2, they all agreed that it was hideously complicated and that not enough thought had been put into it.

7.45 pm

If we look at what the Government and those of us who want to see more transparency in the family courts are trying to achieve, we see that three key questions are involved: when can the press attend; what can they report; and what documents can they see? The answers are, in some ways, quite simple. I entirely accept that there are additional questions to be asked in relation to the third point about documents, because affidavits and skeleton arguments are increasingly relevant, and we must ask whether the press should have copies of them.

It is also worth pointing out that insufficient attention has been paid to ancillary relief in the debate on transparency. This raises a specific issue, because financial information, some of which is highly confidential, is provided under compulsory disclosure. The Government should certainly look into that more carefully as the debate moves forward.

On the question of how complicated the provisions are, I was struck by something that Sir Mark Potter said in his written note. He reinforced his point in his oral evidence as well, but in his written note, he stated:

"The Bill is very complex. The technical and interlocking nature of its provisions places the judges, the parties and the media in an unsatisfactory position likely to lead to a number of practical difficulties concerning Judges' decisions to impose, or refuse to lift, restrictions in individual cases. In cases of high interest, parties and the media are likely to raise substantial queries and argue individual points in relation to the reporting of evidence which will necessitate the expenditure of precious judicial time in resolving them rather than getting on with the case."

He also went on to explain that part 2 was needlessly complicated. Her Majesty's Government have achieved something that I thought was virtually impossible—namely, they have united everyone from one end of the spectrum to the other on this matter. That is certainly an achievement.

As I said, it would have been better to give these early reforms a chance to work and to get bedded down. Then, we could have taken a step back to see exactly when it would be necessary to amend the primary legislation. It would have been far better to do that by means of a separate family proceedings Bill. Given that the Government have already announced that they are going to carry out a major review of the family justice system, would it not have been better to allow that review to complete its work? A new family proceedings Bill will undoubtedly come out of that process, and these provisions could have formed an important part of it.

We did not debate part 2 in Committee, yet the Government have already come up with a number of complicated amendments to it. They are completely rewriting their original part 2. Perhaps the Minister will thank I am churlish to say that, however, because many of their amendments are ones that we asked for and that we support. Nevertheless, this is a chaotic situation, and it is causing a great deal of concern.

We are where we are, however, which is why we have tabled a number of new clauses and amendments. I want to speak first to new clause 2. Clause 40 currently introduces phase 2 of part 2—that is, schedule 2. Schedule 2 contains various amendments that alter the treatment of sensitive personal information. Under clause 40 as it stands now, however, the Lord Chancellor cannot make an order to commence schedule 2—or, indeed, schedule 5—unless he or she has carried out a review of this part of the Bill and set out its conclusions in a report to Parliament. That cannot take place for 18 months and it has to be done through an affirmative resolution on a statutory instrument.

There are various flaws in the procedure. That is why we tabled our own new clause, which builds on clause 40 by requiring the Lord Chancellor to commission a fully independent review of the operation of part 2 and of the impact of the new changes of April 2009 that allowed the media access to the courts. Furthermore, there is a third safeguard, because no review can take place until a full and separate review and an evaluation of the pilots has taken place.

New clause 2 is similar to the Lib-Dem new clause 19. In fact, original amendments 28 and 29 have been migrated into new clause 2. The Government's solution in amendment 123 goes some of the way, but it is simply not adequate because it talks only about an independent person carrying out the review and consulting the public. In our opinion, that is just not good enough. Our new clause 2 is logical; it is in no way bureaucratic, and it contains sensible additional safeguards. I urge all hon. Members to support it..

We have tabled other new clauses and amendments. If we debated them all tonight in an open-ended way, I would still be speaking in two and a half hours' time, which I have no intention of doing, as I want to hear what the Minister has to say about the Government amendments and many of my hon. Friends want to speak. This shows what a ridiculous situation we are in. It would do us all a disservice if this Bill got on to the statute book without proper debate in at least one of the Houses. I suggest that the chance of getting the proper debate it needs in Parliament is now very slim indeed.

New clause 7 states that the court will

"only permit publication of information relating to a case in family proceedings"

after a judgment has been made. To some extent, this is the Sir Mark Potter amendment, as he felt very strongly about the issue, as he explained to the Committee in some detail when he gave oral evidence on 21 January. Let me quote what he said in response to a question asked by my hon. Friend the Member for Crewe and Nantwich (Mr. Timpson), who is an expert on the subject and may speak later if he is able to catch your eye, Madam Deputy Speaker. Mark Potter said that

"one of the judiciary's concerns is the fact that it is the habit…of the press to drop in on the first day and see what the case is about. In so far as they will report that case, they will do so in terms of what is open. Whether it is public or private law proceedings, an applicant may open a case high, as we put it, make a number of often quite important and unpleasant allegations relating to parties in the case, or make exaggerated claims about the child. Those will get reported. Then time passes. Perhaps the judgment is given and publicised in anonymous terms two or three weeks later. There is no obligation on the press to report that. It might be that quite a different situation is found to have existed as a result of what happened, but because we are in a situation of a first-day attendance, and what is news today has passed tomorrow, an unfair and difficult position is left—quite apart from the welfare of the child concerned." —[*Official Report, Children, Schools and Families Public Bill Committee*, 21 January 2010; c. 126, Q206.]

He went on to say:

"It is indeed only by being there all the time, seeing the whole shape and knowing what is at the end that you achieve anything." —[*Official Report, Children, Schools and Families Public Bill Committee*, 21 January 2010; c. 130, Q210.]

Interestingly enough, that particular view was echoed by Bob Satchwell. He is the director of the Society of Editors, who was at completely the opposite end of the spectrum and has consistently argued for and lobbied in favour of even more transparency and openness—issues encapsulated in part 2. He said on the same day:

"However, unless you hear the whole detail of the case, and unless you are able to put those sides of the case, you lose the point of fairness of a report. So you must have some basic information in there, which is not available at the moment." —[*Official Report, Children, Schools and Families Public Bill Committee*, 21 January 2010; c. 130, Q210.]

Another who reinforced the point about getting the judgment of a case before there is any reporting by the media was Dr. Julia Brophy, the director of the centre for family law and policy at Oxford university. A number of my hon. Friends met her and were very impressed. She said:

"Unless the media are simply in at the end of a case, at the final hearing, and can look at the case in its entirety, they will not be

able to present a balanced picture."—[*Official Report, Children, Schools and Families Public Bill Committee*, 21 January 2010; c. 135, Q217.]

That is exactly what we are trying to do.

The answer to these concerns—they are very real concerns indeed—is very simple: it is our new clause 7. We feel strongly that it satisfies the point, but the Government have unfortunately completely failed to look at and address the concerns put forward by Sir Mark Potter and these other experts. I urge the Government to recognise that there is still time to address those concerns. They should accept our new clause 7. It deserves support because it is extremely simple and straightforward; there is no reason why it would not work very neatly and very well. I ask the Minister to accept it, because it would go a long way to satisfying and answering the fears expressed very eloquently by all the witnesses when they gave evidence to the Public Bill Committee on 21 January. I think that the Minister herself was present at the Committee; she asked some questions at the end of it. I am sure that she will agree with me that these real concerns need addressing.

Let me move on to new clause 8. It is very simple, modest and sensible and is designed to ensure that part 2

"shall not apply to uncontested adoption proceedings".

I should declare an interest because my wife and I have an adopted child. We understand very well the sensitivities involved in adoption, which were summed up very well by the president of the family division when he said:

"In private adoption proceedings which are not contested and do not involve abuse, the unanimous decision of judges and absolutely everyone is that there is no legitimate reason for the press to be present. So many sensitivities are involved, largely for parents, as well as the child, and it is simply not a matter the public deserve to know about, so far as the intimate details are concerned."—[*Official Report, Children, Schools and Families Public Bill Committee*, 21 January 2010; c. 139, Q232.]

I certainly endorse that 100 per cent.

Quite why the Government have not addressed those points, I do not know. I am afraid that it is probably a function of the Government coming to this issue with a whole lot of amendments at a very late stage. As I have said, they have completely rewritten part 2 and missed out a number of points. We are here to help them. New clause 8 would certainly answer this particular concern. If the Government are in a charitable mood tonight, they will certainly accept this simple and straightforward new clause. It is perfectly harmless and it does exactly what those experts want to see built expressly into the Bill.

Our new clause 9 expands on the short interpretation description contained in clause 41(1). It is also sensible and pragmatic, and the good news is that the Government have looked at our earlier amendment, which migrated into new clause 9, and have now come up with their own amendment. They copied our provision almost word for word in their amendment 130. I would like to say a big thank you to the Minister. She said a while ago that the Government were here to help and they have certainly been helpful in this particular case. We must not do anything other than give praise where praise is due.

I must also not sound churlish when I say that our new clause is slightly better and superior to the Government's amendment because our provision contains two additional safeguards in (a) and (b), which cover identification possibilities by way of pictures in the media and by way of recording people's voices. I urge the Minister to change the Government amendment or at least urge the other place to have a close look at what we would achieve by our new clause. We are almost at one on this, but not quite, so going that extra little distance would be a great relief to Conservative Members.

As to the other Government amendments, I accept that the Government have listened to a number of legitimate concerns. On the other hand, as I mentioned a moment ago, they have completely rewritten this part of the Bill with no debate in Committee whatever—not a single minute was spent debating it in Committee.

We support most of the Government amendments. Some cover points that we raised in correspondence with the Minister, some pick up on points put during the evidence-gathering session, while others pick up points made in various written statements and documents made available to the Committee. The Minister has considered some of those points and come up with various amendments. However, some of the amendments are pretty weighty, and I find it worrying that they were introduced so suddenly, given that all the issues could have been thought through carefully at an earlier stage. Amendment 111—the "Nelson"—deals with fairly wide-ranging contempt-of-court criteria, amendment 126 adds another defence to contempt of court, and amendment 131 concerns the definition of how a person is involved in proceedings. It is ridiculous that such weighty matters should be put before the House at this late hour.

8 pm

I hope that the Minister will explain exactly what the amendments will do. We have given our pledge that we will not vote against them, because they are broadly in line with what we have asked for, but there is extra detail that is very substantial and complicated. I hope that she will explain exactly how the amendments will improve the Bill in the way that the Government have claimed they will, and how they will make it more acceptable to the various groups involved.

We have pressed the Government for a long time to address the whole issue of transparency and openness in the family courts. We agreed that the April 2009 changes were excellent, but suggested that it would have been better had we paused at that stage. What is the point of pilots unless they really are pilots, and are assessed properly? At the time, we told the Government "Take a step back. Look at stage one. Look at the excellent announcements that you made about the changes in April 2009, and assess the way in which they are working on the ground. Talk to everyone involved in the family courts. The pilots only started in November; evaluate them, perhaps a year later, and consider the resource implications in a professional and focused way."

If the Minister had listened to us at the time, we would not be in this muddle, but would be moving forward at a sensible, constructive and decent pace. However, the Government have panicked for some reason. They have tacked these clauses on to a Bill that is not theirs, and have managed to unite everyone against what are, in many respects, quite reasonable proposals because they are so complicated.

We are trying to make the Bill much less complicated. We are trying to make part 2 more effective and acceptable. There are strong arguments for dropping it completely,

but if the Government will not do that, I implore them to accept our amendments—particularly amendment 2, on which I hope the House will vote, but also amendments 7, 8 and 9. I hope that Members on both sides of the House will support us in the vote on new clause 2, which would go some way towards making this part of the Bill more effective and acceptable.

Mr. Laws: I agree with much of what the hon. Member for North-West Norfolk (Mr. Bellingham) said. I do not intend to detain the House for long, not because the amendments and new clauses do not deserve extensive debate but precisely because they do, and because today's debate—which has been necessarily brief because of the time restrictions—has only confirmed a view that I have held for some time. I believe that we would be foolish to rush consideration of what is, in fact, a highly complex and sensitive area with no proper scrutiny in this place, and that we would risk drawing the wrong conclusions and making decisions of which we would repent at leisure. After all, we are being expected, in a debate lasting only an hour, to scrutinise nearly 20 per cent. of the Bill, including an entire set of clauses and two schedules—clauses 32 to 41 and schedules 2 and 3—that we did not even touch on in Committee, although they deserved serious scrutiny.

We know that this is one of the most controversial parts of a Bill which itself hardly lacks controversial content—including some of the other elements relating to home education, which we may touch on if we have time today and to which we also failed to give adequate time in Committee. We know that a long list of organisations have expressed concerns, and that, as the hon. Member for North-West Norfolk said, they represent a broad spectrum, from children's organisations at one end to legal and other organisations in the middle or at the other end.

We have received representations from a variety of organisations, from the Children's Society and the National Society for the Prevention of Cruelty to Children to legal groups specialising in family law, but they have sent us a universal message. They believe that there is a real risk of our legislating in haste, and that the issues are too important to be rushed through Parliament with a minimum of debate and the risk that we will end up with ill-thought-out provisions. They have told us clearly that they think that the changes envisaged in schedule 2 should result from a proper process of consultation and dialogue, and proper scrutiny in Parliament. Although I accept that the Minister has made an attempt today to respond to some of the concerns that have been expressed over the last few weeks and months and that she has talked to many of the organisations involved, I have no doubt that many of those concerns remain.

As the hon. Member for North-West Norfolk said earlier, the fact that the Minister has found it necessary to bring to the House with very little notice—her letter is dated 19 February—a series of important amendments to clauses 32, 33, 34, 37, 38, 40 and 41 is the clearest possible indication that the groups that have made representations to us are right, and that we should not rush such complex and sensitive legislation in the limited time that we have before a general election. That is particularly true given that many of the concerns expressed by groups such as the NSPCC seem to be precisely the opposite of the concerns expressed about serious case reviews that we have just discussed. While the Government claim to be taking the side of groups such as the NSPCC on the protection of sensitive information from serious case reviews, they appear to be taking the opposite side on many of the arguments.

I genuinely feel that it would be extremely unwise of Members of this and another place to seek to make such important judgments in the absurdly short time that is available to us. I will confine myself to saying that Members of both Houses will do all we can to ensure that the proposals are not enacted, so that we can consider them in the detail that they deserve.

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I rise relatively early in this fairly short debate, partly to respond to the amendments tabled by the Opposition but partly to agree with both Opposition spokesmen that it is a matter of regret to us all that these matters were not debated in Committee. I sat through every Committee sitting, including the public evidence sessions, and I assure Members that it is pretty frustrating to sit there and be unable to make at least some comment on a part of a Bill for which one has some responsibility.

I also rise to speak at this point in the debate because in the course of the public evidence sittings and throughout the period when this part of the Bill was being discussed outwith this House, including by the many organisations that have contributed to it, we listened to what people had to say, which is why we have tabled our amendments in this group. I hope that my comments will lead the hon. Member for North-West Norfolk (Mr. Bellingham) to appreciate that I am doing all I can to try to be helpful and to assuage some of the concerns people have raised, even though they were not debated in Committee.

I want to begin by considering why we have come to our current situation. I acknowledge that the hon. Gentleman said at the beginning of his speech that he and the Opposition agree that transparency in the family courts is an important issue, and that they support that and find it unacceptable that the family courts differ so much from the rest of the Courts Service. For a number of years—in fact, since Lord Justice Munby's Re B judgment in 2004—we have been consulting on, and slowly changing, the extent to which individuals can share information from the family courts, and we have been able to move from a system that, for example, did not even allow a man or wife to disclose to their new partner the fact that they were involved in Children Act proceedings for contact arrangements for their child from a previous relationship. They were not allowed to talk to their MP about such issues either, and given that over the past year we have, for a variety of reasons, been very concerned about the relationship between the MP and their constituents, that is a pretty large hole in the system.

Those aspects of the system were clearly unhelpful for the people involved, and unhealthy for democracy and justice. We therefore changed the rules so that the situation is now more open and transparent, but always with checks and balances to make sure that the publishing of information, for example, is permissible only within a very specific framework. Those changes have proved to be relatively successful.

[Bridget Prentice]

The hon. Member for North-West Norfolk has mentioned that last year we introduced the family court information pilots, which are looking at the impact on the judiciary and the court system of publishing anonymised judgments online. Anonymised judgments were established not for the benefit of the media, but, rather, to see how the system impacts on the judiciary. They also protect the identity of those involved, which is a key factor in their success. Again, checks and balances are in place. The hon. Gentleman asked about Wolverhampton. Its pilot started in January, so it has been running for only two months so far.

In April last year, we made a very important change to the rules of court, so that the media now have the right to attend most family proceedings. The hon. Gentleman rightly pointed out that they could attend the top and bottom ends, so to speak, of the family proceedings, but not some of the more central areas, such as the High Court. Again, we have put in place sufficient checks and balances to ensure that the courts can choose to exclude them, where appropriate.

The recent evaluation showed that the changes have presented few problems, and that the major block to their achieving their objectives is that the media are not attending family proceedings to the extent that we had expected, largely because they can report so little of the information that they might learn from the proceedings. Whereas the other measures that we have introduced have made a positive contribution to making the family courts more open and transparent, allowing the media to attend has not as yet added to that. The limits on what can and cannot be reported are such that the media do not, on the whole, bother to attend. Because the media are not allowed to report anything of substance, the public are not able to grasp how the family courts work, or how the courts reach very difficult decisions every day about children and families. The concept of open justice is all the poorer for that.

That is why we have introduced these provisions. Their aims are to allow the media to report on the family courts more fully, to allow the public to be more aware of the work of these courts and the decisions they make, and to afford family courts the openness and transparency other parts of the judicial system have had for many years. We do not and would not tolerate such restrictions in other parts of the justice system, so these changes are long overdue, but I seek to persuade Members that while the changes we have made so far have been relatively successful, and while I hope those I propose in today's amendments will also be successful, they are all proposed with the privacy and safety of children in mind, and with checks and balances to ensure that that is achieved.

8.15 pm

Even though the details were not discussed in Committee, I am aware that a number of concerns have been raised since the original clauses were introduced. I hope Members will agree to the amendments tabled today or late last week—I am sorry it took so long for that to happen, but that was entirely outwith my control. I say to the hon. Member for North-West Norfolk that I would never dream of describing him as churlish, and I hope that, like me, he has come to this debate in a spirit of openness and with the aim of trying to take this matter forward and of putting measures in place that will be better for the justice system and all those involved in it. We have considered the concerns raised, such as protecting privacy, while also ensuring the system can be as open as possible, and I hope these amendments will allay some of those concerns. We also want to ensure the integrity of the process in making a considered transition to a second, more open, phase.

First, let me address the amendments dealing with the issues of privacy and identification. Government amendments 113, 114 and 115 all deal with the publication of information contained within court orders. Taken together, these amendments will make it clear that, while the default position is that court orders in relevant family proceedings will remain publishable without the court's permission being required, the publisher will need to remove any identification information from the text or summary of the order before publishing. The publication of an order complete with any identification information that the order contains will require the court's permission. These amendments are offered in response to concerns raised about the important question of how best to ensure that orders in family proceedings may be made public without an excessive risk of identification of those involved. By placing the responsibility for redaction on the publisher, the Government are ensuring that no undue burden is placed on busy family court judges to have to check every family court order in order to make sure that identification information has been removed.

Mr. Bellingham: May I draw attention to the extra safeguards in our new clause 9, which differentiate it slightly from Government amendment 130?

Bridget Prentice: I hope that, as I go into the detail of our amendment, that differentiation will become clear. However, let me say to the hon. Gentleman, as I have said before, that I am happy to look at some of these issues further to see if changes need to be made in the other place. I hope that he will forgive me if, for the moment, I stick to arguing my case as I have it before me. Those amendments seek to assist the operation of the legislation. I hope that they will satisfy some of the calls for additional clarity, because I accept that originally the provisions were rather opaque.

Amendments 131 and 132 would plug the gap in ensuring that a person who has provided a statement to the court within the relevant proceedings would count, along with witnesses actually called to give evidence, as being "involved in" proceedings for the purpose of the Bill. On amendment 130, I accept that, as has been mentioned by the hon. Members for North-West Norfolk and for Yeovil (Mr. Laws), the addition of a list similar to that in section 121(3) of the Australian Family Law Act 1975 was strongly advocated by a wide variety of stakeholders. We have therefore accepted that it is appropriate to include in the Bill a list of what constitutes "identification information". Having said that, I believe that the Bill, as introduced, was fit for purpose and that provisions on what constitutes information "likely to identify" are equally so.

I am aware of the need for as much clarity as possible if the Bill is to work as intended, so the amendment builds on the Australian model and provides additional guidance for both parties and the media as to what

constitutes "identification information", highlighting the sorts of information that are most likely to be "identifying" and in respect of which particular care should accordingly be taken. In addition, amendment 117 adds a provision that mirrors section 97(2)(b) of the Children Act 1989 in prohibiting publication of information likely to identify the home address or the school of a child involved in proceedings. That would remove any scope for arguments as to whether such information might identify the child.

The hon. Member for North-West Norfolk made a number of points that have been raised by the judiciary and, in particular, by Sir Mark Potter, and I hope that he will accept that although amendments 115, 118 and 119 are technical, they address the points made by the senior judiciary. Amendments 118 and 119 would remove the additional explanations of what amounts to

"information relating to the proceedings".

That term will continue to have the meaning established by the case law on the identical wording in section 12 of the Administration of Justice Act 1960.

Amendment 115 mirrors section 97(2) of the 1989 Act—and the Australian legislation—in referring to identification by members of the public, rather than by "one or more persons", which might have had the unintended effect of preventing publication in almost every case however little information might be made available. Within those provisions, however, not only do we wish to ensure privacy where required, but we wish to make reporting as open as it can be. We have, thus, responded to concerns in that regard too.

Amendments 116, 117, 118, 121, 124 and 126 would remove references to persons "referred to in" proceedings from clauses 34, 37, 38 and 41. That would mean that the publication of identification information relating to persons referred to in proceedings but with no direct link to them—I call this the David Beckham amendment, because it deals with cases where a child's favourite footballer or pop star is mentioned—would not be prohibited, as clearly that is not what is intended. Having said that, there may occasionally be exceptional cases where the court would need to protect a person who is "referred to" in proceedings, as opposed to more actively involved. Such a person might be, for example, a neighbour who has reported domestic violence to the police. The Government feel that the court's discretionary power to restrict publication in clause 37(2) will cover such situations.

These amendments do not cover references to a person "referred to in" proceedings in clauses 35 and 36, because they serve a different purpose. In clause 35, the avoiding of an injustice to a person referred to in the proceedings, or the protection of the welfare of a child or vulnerable adult referred to in the proceedings, may well be a reason for permitting the publication of information. The court will decide this, and in so deciding whether to permit that publication, it will have to take into account the risk that would be posed to the safety or welfare of a person "referred to".

A number of concerns have been raised about the contempt provisions for circumstances where the reporting restrictions are breached. Amendments 119 and 120 deal specifically with defences to contempt of court. The amendments provide those republishing information from another publication with a defence if they did not know, and had no reason to suspect at the time of publication, that the information already published was in breach of any of the requirements for an authorised news publication. Without the amendments, there would be a risk that someone republishing information already in the public domain could find themselves charged with contempt for publishing information that they could not have known was in breach of reporting restrictions. Although it is right and proper that the courts pursue those who knowingly publish information that is in breach of reporting restrictions governing family proceedings, it is also right and proper that those who seek only to inform the public in good faith are provided with a defence against being held in contempt of court.

So that the courts can continue to authorise publication in individual cases, amendment 111 responds to judicial concerns raised in the evidence of the president of the family division, Sir Mark Potter, and is intended to make it clear that courts may continue in the exercise of their inherent jurisdiction to authorise disclosure of information in limited circumstances not covered by rules of court, at the request of the parties or upon the court's own motion.

Finally, we have considered the concerns about the review process that will be required prior to moving to a more open second phase. I understand that the hon. Member for Yeovil has particular concerns about this area, and I hope that amendments 122 and 123 will allay some of them. Our amendments would require that the Lord Chancellor commissions an independent review of part 2 of the Bill before the amendments concerning sensitive personal information in schedule 2 may be commenced. We recognise that it is in everyone's interest, particularly that of children, that we get the review process right and ensure that the initial set of changes are subject to a considered and robust examination—it would be in nobody's interest to do anything less.

Mr. Timpson: Will the Minister explain why she does not see the pilot that is under way and an evaluation of the changes that were introduced in April 2009 as an integral part of that review? Should we not be able to see the outcome and evaluation of those two aspects before we look towards having an independent review of part 2 of the Bill?

Bridget Prentice: To some extent, I would say that they will be an integral part of that review. I shall go on to explain in more detail about how I think that that review might work, and I would expect it to take those pilots into consideration. It would consider the whole procedure of openness and transparency in the family courts, and the pilots would be included. We will review the pilots before then anyway, as part of their timetable. There seems to me no reason why the review, when it comes about, could not also take them into consideration.

8.30 pm

The hon. Gentleman is right to say that the benefits of an independent review are significant, not least because it will be crucial for its report to be accepted as a fair and accurate account of how those initial changes have operated. It is also important, therefore, for the independent reviewer to consult publicly on that. If the review is to

have the respect that we want it to command, it needs to be set up on the right footing. That is why we are also giving a commitment that its terms of reference will be agreed by the Justice Committee. The Chair of that Committee, the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith), was here during the earlier part of the debate and I am sure that he will be looking at the details later. As I have said, if the Justice Committee were to include the pilots as part of the review procedure, I see no reason why that would not be perfectly acceptable. It might give the reviewer more credibility when the review takes place.

Mr. Timpson: In that case, what is the Minister's objection to our new clause 2?

Bridget Prentice: On one level, I have no objection to it in principle. There is much to be said for some of the things in it. However, I do not think that it is appropriate at this stage. I shall come to that point in a moment, but I want to finish talking about the review first.

The review will not start until at least 18 months after the commencement of this legislation, to give the first set of changes time to bed in. It will be something between 18 and 24 months, I would envisage, before the review will take place. That will give considerable time for the production of evidence for it to consider.

New clause 2 is unnecessary at this stage, because the amendments that we have tabled make it clear that the move to the new regime will not happen automatically. The review is therefore not a rubber-stamping exercise.

Mr. Mike Hancock (Portsmouth, South) (LD): I am grateful to the Minister for giving way. Will she explain why, if she has no objection in principle to new clause 2, it would be inappropriate to accept it tonight?

Bridget Prentice: I am not prepared to accept it tonight because I think that our amendments satisfy the concerns that people have raised. I said to the hon. Member for North-West Norfolk that after this debate I would look further, if necessary, at whether other tweaks might be necessary in another place. At the moment I am not absolutely convinced that they are, but I am happy to consider the matter further later. At the moment, I think that the amendments that we have tabled instead of new clause 2 are sufficient.

Mr. Bellingham: I am grateful to the Minister for giving way; I wanted to help her a bit on the subject of the pilots, following the point raised by my hon. Friend the Member for Crewe and Nantwich (Mr. Timpson). Would it not be better to put the requirement for a review of those pilots and an evaluation in the Bill? It would be easy to do that. Surely she can accept that point, as we move forward to make part 2 work through this process, which is phase 2 overall—well, perhaps phase 3, because phase 1 involved the changes that the Government brought in a year or so ago. The pilots were part of that, and obviously they need to be properly evaluated. To have such a provision in the Bill would, I am sure, satisfy the concerns of many of those who attended the Public Bill Committee hearing.

Bridget Prentice: The hon. Gentleman makes a fair point, which is why I hesitate as I reply to him. I want to consider further whether the proposal should be in the Bill. I do not object to it in principle, but I want to think about whether it needs to be on the face of the Bill, or whether it would be more appropriate to leave it to take effect through other procedures. I appreciate what the hon. Gentleman is saying, and I want to go as far as I can to allay concerns about what the review can and cannot do. That is partly why we suggest that the Justice Committee would play such an important role in setting out what the review can cover. It is important that the review should be seen by all concerned as entirely independent and robustly conducted. If it were to conclude that the second part should not go forward in its present form, that view would be taken very seriously. I hope that that gives the hon. Gentleman some comfort.

Government amendment 112 does not need a great deal of explanation. It subjects the Lord Chancellor's power to amend the definition of "relevant family proceedings" to the affirmative resolution procedure, so that the amending instrument may not be made without the prior approval of both Houses of Parliament. I hope that that allays some of hon. Members' concerns in that regard. The purpose of that power is to ensure that we can respond flexibly and promptly should there be any subsequent legislative changes in the way that court proceedings are classified, so that the appropriate range of proceedings will continue to be covered. For example, "family proceedings" can be proceedings under part 5 of the Children Act 1989 dealing with child minding and nursery care regulations.

Let me explain why I cannot accept the amendments tabled by the hon. Member for North-West Norfolk. It is partly because our amendments already address the concerns that have been raised—certainly those about the nature of the review, the move to phase 2, the Lord Chancellor's power to amend the definition of "family proceedings" and the clarity of identifying information. We have covered all those issues fairly comprehensively. I will start by making a more negative point: I have concerns about his call for a limit on the publication of financial information, which I think is misplaced. I do not believe that he or other Members on the Opposition Front Bench suggest that the need to protect information about a parent's finances is of greater consequence than the need to protect information about the children involved, but there are sufficient safeguards in place already, as the courts can decide whether it is appropriate to protect such information.

Amendments 30 and 91 would derail the provisions that will introduce phase 2 of the Bill. I have already explained that the move to phase 2 is not a given, because the independent review, the parliamentary scrutiny that will follow, including the affirmative resolution procedure, are robust enough to ensure that whether phase 2 becomes a reality will be entirely dependent on independent scrutiny.

Let me address the point that the hon. Gentleman made about uncontested adoption proceedings. They are not covered in the Bill, but I accept the tenor of his comments about such proceedings. I think that new clause 8 would backfire, because it would remove the Bill's protection from some of the proceedings that will be protected, and would not cover some of the things that he wants it to cover, but I would like to look at it again to make sure. I have some sympathy with him regarding the necessity of media scrutiny of entirely uncontested adoption proceedings. However, we do not, in the Bill, allow the media in to the final part of adoption proceedings.

The changes are important to the families who use the courts, and particularly to the children who rely on them. They are important to those who take the decisions that will keep children safe and also to the public, who have had doubts about some of the courts' actions and have called into question the effectiveness of the family justice system as a whole. That is why the changes are overdue. Clearly, we all agree that the family justice system should be more transparent and open.

I believe that the amendments that the Government have now tabled offer the best way forward. They offer a balanced approach to change and safeguards for the families involved, and give family courts a chance to shake off the allegations of secrecy. They mean that justice has a chance to be done and—it may be a cliché, but in this case it is an important principle—to be seen to be done.

I therefore ask the House to support the Government amendments. I hope that the other amendments will be withdrawn; otherwise, I will have to ask the House to reject them.

Mr. Timpson: At the outset I must declare an interest, in that I have been a family law barrister for 12 years, although I have not practised for several years.

It has taken me even longer than the Minister to speak on this part of the Bill, and I suspect that my experience is unusual, as I have had more influence by not saying anything than would have been the case if I had spoken. I appreciate and acknowledge what the Minister has done in trying to address some of our amendments, and we welcome the concessions that the Government have made. I am glad that our amendments have been taken seriously and given the attention and respect that they deserve. Nevertheless, it is clear even from this short debate that this part of the Bill is beginning to unravel even further from its initial presentation.

I want to make it clear that Opposition Members are in exactly the same position as the Government—and I am sure other parties—when it comes to considering the family court system. The Justice Secretary said that his objective in going through this exercise was

"to build a transparent, accountable family justice system which inspires the confidence of the people it serves, while continuing to protect the privacy of the parties and children involved."

I do not think that any of us could argue against that as a starting position for thinking about how we can give the public more confidence in the family justice system, which is so important to so many people. From that starting premise, the Government have made a number of welcome moves over several years.

However, I was not sure whether the Minister thought that the new rules introduced in April 2009 were a success or not, given that, after an initial burst of activity, no one from the media seems to have shown much interest in the family courts. What we do know is that the major reform in the Bill should be given proper and careful consideration, rather than being rushed through.

I agree with the pithy but important contribution from the hon. Member for Yeovil (Mr. Laws), who speaks for the Liberal Democrats. He said that we could not discuss such a fundamental sea change to family justice in such a short debate, lasting just an hour and a half on the Floor of the House, and still be confident that it would play out on the ground and in the courts as we intend. As my hon. Friend the Member for North-West Norfolk (Mr. Bellingham) said at the beginning of his speech, it is perhaps even more illuminating that we have managed to find ourselves in an unenviable position today, with even those who advocate full transparency for family courts saying that the legislation could end up doing more harm than good.

I am not here to defend the family courts. I recognise that many people who have been exposed to the system come away from it extremely disappointed and frustrated by what they have had to go through. However, when we think about opening up the family courts, we cannot and must not put the interests and welfare of children anywhere but at the top of the list.

The Government's hope and expectation is that the interests and welfare of children who, through no fault of their own, find themselves in the family courts system will remain at the heart of this part of the Bill. However, voices from all sides are telling the Government that there is still great concern that the involvement of the media in their cases will make children less, rather than more, willing to disclose problems and talk to professionals. The danger is that judges will have to make decisions in cases without having the full facts and evidence before them. I am sure that that is not what the Minister, or anyone else in the House, would want to happen.

8.45 pm

Will the Minister spend a little more time considering our new clause 7? When the Government sent round the letter telling us what their amendments would be, they prayed in aid the fact that many of the amendments were being introduced because members of the judiciary and other bodies, and particularly the president of the family division, had expressed concerns about aspects of the Bill, and that the Minister had, rightly, listened carefully to what he had to say.

We know from his oral evidence and his written evidence to the Public Bill Committee that Sir Mark Potter has grave concerns that unless there is a provision such as we set out in new clause 7, whereby the publication of any case through the media could not take place until the judgment, a case may be reported in a local or national newspaper in a way that gives a completely different version of events from what has been played out across the whole case from start to finish. The media could give a skewed account that did not reflect the facts of the case as they played out. I ask the Minister to look at that aspect again. She clearly believes that the views of the president of the family division are worth listening to.

The Opposition have tried to be constructive. I am delighted that the Government have taken on board a number of the amendments that we tabled—for example, on how involvement in the relevant proceedings are defined in clause 41. In some instances the Government could have agreed to our amendments as drafted, but they felt it necessary to rewrite them in almost exactly the same way, with the same meaning. Perhaps I should take that as a compliment.

Why can the Minister not accept new clause 2? In the debate this evening we learned far more about the Government's position and the thinking behind the independent review. It appears that all the elements that

we included in new clause 2—the anonymised judgments and the assessment and evaluation of the new rules introduced in April 2009—are very much in her mind as well. I ask her to be brave, to listen—as she has done, to her enormous credit—to the information that we have been giving her about our concerns, and to think carefully about why we should wait any longer for new clause 2 to become part of her Bill, as well as of our Bill.

Bridget Prentice: One of the reasons why I am hesitant about the Opposition's new clause 2 is that part of it is superfluous. The pilots will have been completed long before the review takes place, so that evidence will already be in the public domain. I do not know whether that helps the hon. Gentleman.

Mr. Timpson: In that case, what is the concern? Where is the guarantee in the Bill as drafted that those pilots will be completed before the independent review takes place? If the Minister is giving me that guarantee, I see no reason why it cannot be written into the Bill. We want the Bill to be transparent, just as we want the courts to be transparent, so we should practise what we preach.

I am conscious that we are coming to the end of our time and that other Members wish to speak, so I shall conclude by saying that the Opposition want the family courts to gain public confidence by being more transparent and accountable, but we need to make sure that all the people who work in those courts, who have to go to those courts and who report those courts have confidence in the Bill, and that it will work. I am sad to say that in its current form, despite our best efforts to help the Government produce a workable Bill, it will not do what it is intended to do. Even those on the edges of the spectrum of interest in the Bill share that concern. I hope the Minister will continue to take those comments on board as the Bill continues its passage through the House.

John Hemming: The hon. Member for North-West Norfolk (Mr. Bellingham) wants to speak for a minute just before 9 pm. I hope to finish in sufficient time for that.

Sadly, the Government have gone about this whole process in completely the wrong way, and as such they have created a monstrous mess. It is overly complex, reverses Clayton *v.* Clayton, makes secret documents of court orders that are currently public and achieves very little. I should like to cite an example that demonstrates the problems with secrecy in the system by referring to two babies who were born in Spain last week to families that emigrated rapidly from Suffolk because they faced the removal of their babies at birth, with the police in the delivery suite and social workers in attendance to take the children immediately into care. As everybody knows from the statistics, the vast majority of babies who are taken into care at birth end up being adopted.

One baby was born to Sam Hallimond and his fiancée Vanessa. They went through the family courts, and the press could in fact have named them because Clayton *v.* Clayton allows them to be identified. The Bill, however, aims to gag Sam and Vanessa: it aims to stop the press reporting their names. They are in Spain, the baby is all right, everyone is okay, the authorities are quite happy with them and there is no difficulty.

The members of the other family are Dale and Lorraine Coote and their daughter Megan, who are constituents of Mr. Deputy Speaker, the hon. Member for Central Suffolk and North Ipswich (Sir Michael Lord), and very pleased to have his support. They have not touched the family courts, so all the documentation on and discussion of their case can be made public; there is absolutely no difficulty whatever. The Bill will have no effect on them, because their case has never been to the family courts.

On the merits of the argument, Spain, according to UNICEF's report card No. 3, has one of the best records in the world for protecting children from death from abuse and neglect. The authorities have been around, seen the Cootes and said, "You're all right. Just stay in touch with us. We do not have a problem with you looking after your own child." The authorities here wanted to remove the child at birth, with a police officer in the delivery room—straight into care, feed the adoption machine.

There is a key point about the accountability in and transparency of the process. With the Cootes' case, all the documentation is public and not constrained in any way whatever. The fact that they are abroad means that, to a certain extent, they can do what they want anyway, because the court order stops at the border. The Hallimond case is much harder, because the press in this country cannot report the documentation. The press abroad can, however, so there is no difficulty there.

In care proceedings, the family courts are in essence the quality control system for a complex judgment. In social work, decisions about when and when not to intervene are critical judgments, and one needs to maintain an open mind and review the judgment. One can criticise the Department for making the whole system worse, but, crucially, the role of the family courts is to bring in that quality control.

Birmingham city council reviewed the practices of its own children's services department and identified that, in about 50 per cent. of cases, the judgment was poor: the practitioners were incapable of judging when a child was and was not at risk. The quality control for that judgment is the family courts, but the problem is that it often fails. It does not always fail, because there are some very good judges, but other judges basically accept any old rubbish that is put up by the local council, and the judgment goes through. The Court of Appeal subsequently says, "Oh, that's all judicial discretion," so it does not correct the judgment.

As a backstop for that process, we need transparency: we need to be able to look at what has happened. The Government's strategy has been to assume that a journalist will be sitting in the family courts all the time. A national newspaper reporter might go to the court in London once or twice, but they will not know in advance about a miscarriage of justice; they will know only in arrears. The process fails because it does not look at the situation from the point of view of the parties. It is the parties who know when a miscarriage of justice has occurred, so it is the parties who should be able to take that issue—yes, perhaps with certain constraints—and have a discussion about the merits of the case.

I have a constituency case in which a mother was put in the Appledore centre and her parenting ability assessed, and it was decided that because she breastfed her baby on demand—she did not follow Gina Ford's instructions,

in other words—she failed her parenting assessment. One would think that such an assessment, which I have in writing, would be rejected by the family court, but sadly it was not. The problem that we have with the appeal in that case is that the judge has not issued a written judgment, so the appeal will go in on the basis of no judgment being provided. Those sorts of things simply should not happen.

I should have declared right at the start—I think everybody knows—that I co-ordinate the Justice for Families campaign, which is why I am contacted by people from all over the country, including children in their late teens who are forced into care unnecessarily by the family courts system. It is those children, too, who are being gagged by the process. It would be a criminal offence for a newspaper to report the name of a child who is 17 and is wrongly subject to a care order. That would not have been the case prior to this Bill, because under Clayton *v.* Clayton the parties following the judgment can be reported.

There is only area where I would have some agreement with the proposed constraints on information. Obviously, it is at the judgment stage that information should be talked about, but the Government's big mistake is that they are going about this in completely the wrong way. What is important about the whole process is being able to look at the experts' reports, all the evidence and the transcript of the hearing, and ask, "Is it reasonable for the state to intervene in the way in which it is intervening in this situation?" These are very traumatic processes. The two families who are in Spain at the moment faced the real prospect of a police officer in the delivery room to take the baby at birth under a police protection order. That is massively traumatic, so it is not surprising that they, like several other families, have decided to emigrate.

Looking at the telegraphing that is going on between the Minister and the Conservative spokesman, it is probably fair to say that they could do with a little bit more than the minute that they asked for, so I will finish on this point. The Government have gone about this in completely the wrong way. The April 2009 stuff was really quite good, although it needed to go further in certain ways, but what needs to happen now is that we stop gagging the parties who are subject to miscarriages of justice.

Mr. Bellingham: We have had an interesting debate. Conservative Members are very keen to make this part of the Bill work. Our position is straightforward. We would rather that the Government put this part of the Bill on hold and waited until after the election, when the Government of the day could bring in a matrimonial family Bill of which this could be a part, so that rather than its being tacked on to a Bill that is being promoted by another Department, it would be a vital part of a free-standing justice Bill. I think that that is what people who work in the family courts—the judges, expert witnesses, solicitors and lawyers who are in those courts on a day-to-day basis—would expect.

I echo what my hon. Friend the Member for Crewe and Nantwich (Mr. Timpson) said. I am afraid that while the Government have had the right intent, this part of the Bill is falling into a state of some chaos. If they insist on going ahead, it is important that we have new clause 2. The Minister said a moment ago that she was almost with us on new clause 2, so can we go the whole way? Will the Government accept it, because if not, we will have to force it to a vote?

Bridget Prentice: I am with the hon. Gentleman—I accept new clause 2.

Mr. Bellingham: I am very grateful to the Minister for that. As I am on a roll, is she prepared to accept new clause 7? *[Interruption.]* Perhaps I am pushing my luck a bit too far, but I believe that we have put a convincing, compelling case for new clause 7 as well. It supports what Sir Mark Potter, the president of the family division, has urged us to do. I do not want to be unkind to the Minister, because I am very grateful to her, but on that basis I intend to press new clause 7 to a vote.

Question put and agreed to.

New clause 2 accordingly read a Second time, and added to the Bill.

9 pm

Proceedings interrupted (Programme Order, 11 January).

The Deputy Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

New Clause 7

LIMITATIONS ON PUBLICATION OF INFORMATION

'The court shall only permit publication of information relating to a case in family proceedings for the purposes of this Act upon the availability of the relevant judgment to that particular case and not before.'—*(Mr. Bellingham.)*

Brought up.

Question put, That the clause be added to the Bill.

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Michael Lord): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 173, Noes 280.

Division No. 83] **[9 pm**

AYES

Afriyie, Adam
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark

Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Grieve, Mr. Dominic
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howarth, David
Howell, John
Hunter, Mark
Hurd, Mr. Nick
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Robathan, Mr. Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Smith, Chloe
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Syms, Mr. Robert
Taylor, Dr. Richard
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok

Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Lyn Brown and Steve McCabe

Question accordingly negatived.

Clause 1

PUPIL AND PARENT GUARANTEES

Amendment proposed: 67, page 2, line 35, at end insert—

'( ) No liability in tort can arise on the basis of the inclusion of any matter in the pupil guarantee or the parent guarantee.'.

Clause 9

EXCEPTIONAL PROVISION OF EDUCATION IN SHORT STAY SCHOOLS OR ELSEWHERE

Amendments proposed: 68, page 11, line 40, leave out from '(3AA),' to end of line 41 and insert

'education on such part-time basis as the authority consider to be in the child's best interests'.

Amendment 69, page 12, line 3, leave out 'be impracticable or otherwise inappropriate' and insert

'not be in the child's best interests'.

Clause 11

PSHE IN MAINTAINED SCHOOLS

Amendments proposed: 70, page 14, line 6, at end insert—

'(7A) Subsections (4) to (7) are not to be read as preventing the governing body or head teacher of a school within subsection (7B) from causing or allowing PSHE to be taught in a way that reflects the school's religious character.

(7B) A school is within this subsection if it is designated as a school having a religious character by an order made by the Secretary of State under section 69(3) of the School Standards and Framework Act 1998.'.

Amendment 3, page 14, line 10, leave out from 'State' to end of line 11.

Clause 13

SEX AND RELATIONSHIPS EDUCATIONS: MANNER OF PROVISION

Amendments proposed: 93, page 14, line 39, leave out '(5)' and insert '(5A)'.

Amendment 94, page 15, line 1, after 'education' insert 'or (in Wales) sex education'.

Amendment 95, page 15, line 12, leave out subsection (4) and insert—

'( ) After subsection (1ZA) (inserted by subsection (3) above) there is inserted—

"(1ZB) The Secretary of State must issue guidance designed to secure that where sex and relationships education is given to registered pupils at schools in England to which this section applies, they learn—

(a) the nature of marriage and its importance for family life and the bringing up of children,

(b) the nature of civil partnership, and

(c) the importance of strong and stable relationships."

( ) In subsection (1A)—

(a) for "The Secretary of State" there is substituted "The Welsh Ministers";

(b) after "maintained schools" there is inserted "in Wales".

( ) In subsection (1B), for "the Secretary of State's guidance" there is substituted "the guidance under subsection (1ZB) or, in the case of schools in Wales, subsection (1A)".'.

Amendment 96, page 15, line 19, leave out subsection (5) and insert—

'(5) In subsection (1C)—

(a) for "subsection (1A)" there is substituted "subsection (1ZB) or (1A)";

(b) for "sex education" there is substituted "sex and relationships education, or (in Wales) sex education.".

(5A) In subsection (1D), for "subsection (1A)" there is substituted "subsection (1ZB), and the Welsh Ministers may at any time revise their guidance under subsection (1A)".'

Amendment 97, page 15, line 21, leave out from 'interpretation),' to 'does' in line 26 and insert

'in subsection (1), before the definition of "sex education" there is inserted—

"sex and relationships education" includes education about—

(a) Acquired Immune Deficiency Syndrome and Human Immunodeficiency Virus, and

(b) any other sexually transmitted disease,

but'.

Clause 14

EXEMPTION FROM SEX AND RELATIONSHIPS EDUCATION

Amendment proposed: 98, page 15, leave out lines 29 to 36 and insert

'In section 405 of EA 1996 (exemption from sex education), for "If the parent of any pupil in attendance at a maintained school requests" there is substituted—

"(1) If the parent of a pupil under the age of 15 in attendance at a school in England to which section 403 applies requests that the pupil may be wholly or partly excused from receiving sex and relationships education at the school, the pupil shall be so excused accordingly until—

(a) the request is withdrawn, or

(b) the pupil attains the age of 15.

(2) If the parent of any pupil in attendance at a maintained school in Wales requests".'.

Clause 32

RESTRICTION ON PUBLICATION OF INFORMATION RELATING TO FAMILY PROCEEDINGS

Amendments proposed: 111, page 28, line 13, at end insert—

'( ) Nothing in this section makes it a contempt of court to publish information with the permission of the court.'.

Amendment 112, page 28, line 37, leave out from 'subsection (6)' to 'House' in line 38 and insert

'may not be made unless a draft of the instrument containing the order has been laid before, and approved by a resolution of, each'.

Clause 33

AUTHORISED PUBLICATION OF COURT ORDERS AND JUDGMENTS

Amendments proposed: 113, page 29, line 1, leave out 'the case of' and insert 'a case where the proceedings are'.

Amendment 114, in page 29, line 1, after second 'proceedings', insert

'or a case where the publication of the text or summary contains identification information relating to an individual involved in the proceedings'.

Amendment 115, page 29, line 4, leave out 'the case of any other proceedings' and insert 'any other case'.

Clause 34

AUTHORISED NEWS PUBLICATIONS

Amendment proposed: 116, page 29, line 39, leave out sub-paragraph (ii).

Clause 37

PROHIBITING OR RESTRICTING PUBLICATION FOR PURPOSES OF SECTION 34

Amendments proposed: 117, page 32, line 16, leave out sub-paragraph (ii).

Amendment 118, page 32, line 21, leave out 'referred to in'.

Clause 38

DEFENCES TO CONTEMPT OF COURT

Amendments proposed: 119, page 32, line 27, after '(2)', insert ', (2A)'.

Amendment 120, page 32, line 30, at end insert—

'(2A) This subsection applies if the person proves that—

(a) the person obtained the information from a previous publication, and

(b) at the time of the person's publication the person did not know and had no reason to suspect that the previous publication was not an authorised news publication.'.

Amendment 121, page 32, line 37, leave out 'or referred to in'.

Clause 40

POWER TO ALTER TREATMENT OF SNESITIVE PERSONAL INFORMATION

Amendments proposed: 122, page 33, line 19, at beginning insert 'an independent person appointed by'.

Amendment 123, page 33, line 20, after 'Part,', insert—

'( ) in carrying out the review the independent person consulted the public about the operation of this Part,'.

Clause 41

INTERPRETATION OF PART 2, ETC

Amendments proposed: 124, page 33, line 42, leave out ', referred to in'.

Amendment 125, page 33, line 44, leave out from 'information' to 'to' in line 1 of page 34 and insert

', including in particular information as to any of the matters set out in subsection (1A), the publication of which is likely to lead members of the public'.

Amendment 126, page 34, line 2, leave out ', referred to in'.

Amendment 127, page 34, line 2, at end insert ', and

( ) in a case where the individual is a child, information the publication of which is likely to lead members of the public to identify the address or school of the individual as being that of an individual who is or has been involved in or otherwise connected with the proceedings.'.

Amendment 128, page 34, leave out line 3.

Amendment 129, page 34, leave out lines 4 to 13.

Amendment 130, page 34, line 44, at end insert—

'(1A) The matters referred to in the definition of "identification information" in subsection (1) are—

(a) the name of the individual or any title, pseudonym or alias of the individual;

(b) the address or locality of any place where the individual lives or works or is educated or taken care of;

(c) the individual's appearance or style of dress;

(d) any employment or other occupation of, or position held by, the individual;

(e) the individual's relationship to particular relatives, or association with particular friends or acquaintances, of the individual;

(f) the individual's recreational interests;

(g) the individual's political, philosophical or religious beliefs or interests;

(h) any property (whether real or personal) in which the individual has an interest or with which the individual is otherwise associated.'.

Amendment 131, page 34, line 47, leave out 'or'.

Amendment 132, page 34, line 49, at end insert ', or

( ) is a person who has given written evidence in connection with the proceedings.'.

Schedule 4

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments proposed: 99, page 47, line 34, after second 'education' insert 'etc.'.

Amendment 100, page 47, line 37, after 'education' insert 'etc.'.

Amendment 101, page 48, line 2, after 'education' insert 'or (in Wales) sex education'.

Amendment 102, page 48, leave out line 9 and insert—

'( ) Before the entry for "sex education" there is inserted—'.

Amendment 103, page 48, line 10, at end insert—

'( ) In the entry for "sex education", for "section 352(3)" there is substituted "section 579(1)".'.

Amendment 104, page 48, line 12, after 'education' insert 'etc.'.

Amendment 105, page 48, line 13, after 'education' insert 'or (in Wales) sex education'.

Amendment 106, page 49, line 19, at end insert—

'(b) for "section 403(1A)" there is substituted "section 403(1ZB)".'.

Schedule 5

REPEALS

Amendment proposed: 107, page 52, leave out line 20.

Question put (single Question on amendments moved by a Minister of the Crown), That amendments 67 to 70, 3, 93 to 98, 111 to 132 and 99 to 107 be made.—*(Mr. Coaker.)*

The House divided: Ayes 386, Noes 41.

Division No. 84] **[9.17 pm**

AYES

Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Arbuthnot, rh Mr. James
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Bacon, Mr. Richard
Bailey, Mr. Adrian
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bellingham, Mr. Henry
Benton, Mr. Joe
Benyon, Mr. Richard
Berry, Roger
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browning, Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Chapman, Ben
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davies, Mr. Quentin
Davis, rh David
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorrell, rh Mr. Stephen
Drew, Mr. David
Duddridge, James
Dunne, Mr. Philip
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Engel, Natascha
Etherington, Bill
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farrelly, Paul
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gapes, Mike
Garnier, Mr. Edward
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hammond, Stephen
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Hayes, Mr. John
Heald, Mr. Oliver
Healey, rh John
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hollobone, Mr. Philip

Holloway, Mr. Adam
Hope, Phil
Horam, Mr. John
Howarth, rh Mr. George
Howell, John
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hurd, Mr. Nick
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laxton, Mr. Bob
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Loughton, Tim
Lucas, Ian
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacShane, rh Mr. Denis
Main, Anne
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Moss, Mr. Malcolm
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, rh Mr. Mike
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Penning, Mike
Penrose, John
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Prisk, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Scott, Mr. Lee
Seabeck, Alison
Shapps, Grant
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Shepherd, Mr. Richard
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, David
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Chloe
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Syms, Mr. Robert
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Timpson, Mr. Edward
Tipping, Paddy
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, rh Malcolm
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Wilson, Mr. Rob
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Young, rh Sir George

Tellers for the Ayes:
Lyn Brown and Steve McCabe

NOES

Abbott, Ms Diane
Beith, rh Sir Alan
Brake, Tom
Brooke, Annette
Bruce, rh Malcolm
Burt, Lorely
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Corbyn, Jeremy
Davey, Mr. Edward
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Hancock, Mr. Mike
Harris, Dr. Evan
Heath, Mr. David
Hemming, John
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Hunter, Mark
Jones, Lynne
Kennedy, rh Mr. Charles
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
McDonnell, John
Öpik, Lembit
Price, Adam
Russell, Bob
Sanders, Mr. Adrian
Simpson, Alan
Spink, Bob
Stunell, Andrew
Taylor, Dr. Richard
Williams, Hywel
Williams, Stephen
Willott, Jenny
Younger-Ross, Richard

Tellers for the Noes:
Sir Robert Smith and Dan Rogerson

Question accordingly agreed to.

Amendments 67 to 70, 3, 93 to 98, 111 to 132 and 99 to 107 agreed to.

Third Reading

9.30 pm

Mr. Coaker: I beg to move, That the Bill be now read the Third time.

I hope to leave time for other hon. Members to say a few words, so I shall be brief. I would like to thank members of the Public Bill Committee. We did not always agree, but we had interesting and thorough debates on a number of issues. I would particularly like to thank the hon. Members for Bognor Regis and Littlehampton (Mr. Gibb) and for East Worthing and Shoreham (Tim Loughton) for their constructive approach in Committee. They will know from some of the amendments that we took note of some of their comments. I would also like to thank the hon. Members for Yeovil (Mr. Laws) and for Mid-Dorset and North Poole (Annette Brooke) for all their work in Committee. I thank everyone else, including my ministerial colleagues, for their support in helping me to reach this point.

The Children, Schools and Families Bill is one for the future of our country. It is possible only because of the improvements made over the last 13 years which have been underpinned by record levels of funding in our schools and children's services, as well as the reforms passed by this House. It builds on a decade of ever-increasing standards of pupil achievement, investment in buildings and the work force and the development of one of the most robust children's safeguarding systems in the world.

The Bill contains numerous reforms for the future, which I would like to highlight briefly. We make a great step forward with PSHE—personal, health, social and economic education—as we make it compulsory from September 2011. One or two Members may wish to intervene on this issue, so let me make it very clear that faith schools will not be able to opt out of any elements of statutory PSHE, including sex and relationships education, and they will have to deliver the programme of study for this subject like every other school. Schools with a religious character will still be required to cover in their teaching of PSHE the full range of the content prescribed. Similarly, such schools will, like all others, be under a duty to deliver PSHE in a way that is compliant with the principles set out in the Bill.

Mr. Laws *rose—*

Mr. Coaker: I will give way to the hon. Gentleman and probably to some of my hon. Friends in a few moments, but I want to finish my statement on PSHE. There is nothing in the Bill that diminishes these principles or lessens their impact on faith schools. Although faith schools will, as now, be able to teach their faith's views on issues that arise within the teaching of PSHE, what they will not be able to do is suggest that their views are the only valid ones, and they must make it clear that there are a wide range of divergent views. For example, a Catholic school will be required to teach about contraception. In doing so, it will have to be accurate in the sense of providing the facts about contraception. It will have to be balanced in the sense of indicating that there are different views about contraception, but it would also be able to reflect the views of the Catholic Church about the use of contraception.

Mr. Laws: Will the Minister clarify, in the light of amendment 70, which has been passed today, whether it will be possible for faith schools to teach that homosexuality is wrong?

Mr. Coaker: Such schools could say that that is the view of their particular religion, but what they will not be able to do is to state that that is the only view that exists. They will not be able to say that other religions do not have different views or that people of no faith do not have different views.

The hon. Gentleman will know—he looks at these issues in great detail—that various principles are set out in clause 11. The first principle is that the information should be "accurate and balanced". The second is that it should be

"appropriate to the ages of the pupils".

The third is that

"PSHE should be taught in a way that... endeavours to promote equality... encourages acceptance of diversity".

The hon. Gentleman will know that clause 11(8) provides that

"In the exercise of their functions",

those responsible must

"have regard to any guidance issued... by the Secretary of State".

He will also know that one of the amendments that we have just passed takes account of circumstances that have been raised in which that guidance could be issued by people other than the Secretary of State, and provides that the Secretary of State will be the only person who can issue that guidance, which will be statutory.

Mr. Laws *rose—*

Mr. Coaker: I will give way to the hon. Gentleman briefly, but for the last time, because I want some of my hon. Friends to be able to intervene.

Mr. Laws: Can the Minister tell us why the amendment was necessary, and when it was agreed with people outside the House?

Mr. Coaker: We always have discussions with people outside the House, as do our officials. My right hon. Friend the Secretary of State and I had discussions with a wide range of organisations before and during the introduction of the Bill. We want to deliver a Bill that will work and that will lead to radical reform. Doing that in government sometimes means balancing competing priorities, but we are trying to deliver, and will deliver, really fundamental and radical reform.

Judy Mallaber (Amber Valley) (Lab): Promoting the principles of equality, tolerance and diversity is essential to a child's development and the prevention of bullying. How can my hon. Friend reassure me about the methods that we use to ensure that allowing a school to promote its faith will not contradict those principles, and will he agree to meet me and other concerned Members to discuss the Bill's implementation after it has been passed?

Mr. Coaker: At present, faith schools can teach about homosexuality, but they are not required to do so in an accurate and balanced way. The principles in the Bill will ensure that that happens. Ofsted will be required to ensure that they are complied with, and we will look carefully at its reports.

[Mr. Coaker]

Of course I will meet my hon. Friend to discuss the Bill. As she will know, clause 11(8) refers to statutory guidance, and that guidance will go out for consultation. I should welcome a meeting with her—and any other hon. Friends—to discuss what should be included in the guidance, and to try to deal with some of her fears and concerns.

Mr. David S. Borrow (South Ribble) (Lab): As a gay man representing a constituency with a large Catholic population and a majority of faith schools, I recognise that faith schools should be able to explain to their pupils what their faith position is on many of these issues. Will my hon. Friend reassure me, however, that when the guidance is published, it will be framed in such a way that schools will not be able in any way to foster hatred, discrimination or any hostility towards same-sex couples or gay people within that educational framework? I should like an opportunity to meet my hon. Friend when these matters are discussed further, in order to ensure that the framework allows us all to be satisfied that both parties are happy with the outcome.

Mr. Coaker: I entirely agree with my hon. Friend. No school will be allowed to foster homophobic or any other sort of hatred. If my hon. Friend wants to join me in developing the guidance, along with our hon. Friend the Member for Amber Valley (Judy Mallaber), I should be happy to meet him.

Harry Cohen (Leyton and Wanstead) (Lab): Will my hon. Friend assure me that no faith school teacher will be allowed to spread long-term fear among children by telling them that if they subsequently have an abortion or partake in homosexuality they will end up going to hell?

Mr. Coaker: Of course I can give my hon. Friend that assurance. What we are trying to do is reassure faith schools that they will be able to teach PSHE in a way that is consistent with their religious characteristic and ethos. That is what the amendment does; that is the reassurance we seek to give. The amendment has to be read alongside the other parts of the clause, which describe certain principles that will also have to be upheld. We should pay tribute to the faith schools: for the first time they are saying that when PSHE becomes compulsory, not only will they need it to be consistent with their religious ethos, but they will accept that these other principles are also important.

In order to allow other Members to say a few words, let me conclude. Alongside PSHE, there are radical changes to the primary school curriculum, which will make a huge difference. We also discussed the guarantees, which are the state's offer on education for the future of this country. Report cards will result in a significant change in the accountability of schools. The licence to practice, with a guaranteed curriculum of continuing professional development, is also a huge step forward. I might also mention special needs and the inspection of schools by Ofsted to see how well they meet the needs of children, and the right of parents to appeal where local authorities do not amend a statement. There is to be alternative provision as well. For the first time, there will be mandatory full-time provision for those who are out of school but who have not been permanently excluded.

Lembit Öpik (Montgomeryshire) (LD): On home education, which the Minister has not mentioned and which was not debated on Report because of lack of time, will we in Wales be able to determine our viewpoint independently of what is decided here, and does England have any recourse to revisit that as well?

Mr. Coaker: When, or if, the Bill is passed shortly, that will be the case.

Joan Walley: On the provisions for health and well-being, will the Minister give the House a commitment that he will look at the possibility of regulating to provide for healthy eating and nutritious food in nurseries? That is not included in the Bill?

Mr. Coaker: I can give that assurance. As part of the changes being made to school improvement partners, there will be a requirement to look not only at educational achievement, but well-being.

This is a radical, reforming Bill, and it was opposed by the Opposition parties at all stages. It takes forward our desire to make further improvements and to raise the attainment of pupils across the country, and I therefore commend it to the House.

9.42 pm

Mr. Gibb: I thank the Minister for the courteous way in which he conducted the Committee proceedings, and for the three or four concessions he made to the Opposition. However, this Bill will not go down in history as one of the great education Bills of our time. It will not tackle the deep-seated problems in our education system that have resulted in 16 per cent. of 11-year-olds leaving primary school still struggling with reading, in 40 per cent. leaving primary school still struggling with reading, writing and arithmetic, and in 9 per cent. of boys leaving primary school completely illiterate.

Harriet Sergeant has encapsulated the severity of the problem in her brilliant report, "Wasted". She interviewed hundreds of people in the most deprived parts of Britain, and she writes:

"White working class boys are most at risk of under-performing with 63 per cent. unable to read and write properly at 14...Black working class boys do not do much better. Just over half of them, 54 per cent., can not read or write properly at 14."

So what does this Bill do to begin the enormous task of remedying these serious problems? It introduces a pupil and parent guarantee, and it pushes the primary curriculum even further along the ideological path that led to these problems in the first place.

The pupil and parent guarantees are set out in a 79-page document with 407 numbered paragraphs. Guarantee 2.2 on page 24 states:

"The curriculum is tailored to every child's needs so that every pupil receives the support they need to secure good literacy".

Last year, however, more than 40 per cent. of children qualifying for free school meals failed to achieve a single GCSE above grade D. That is 30,000 young people who have the right to take action under guarantee 2.2. They have the right to make a complaint to the local government ombudsman about the quality of their education. The problem is that the local government ombudsman, Tony Redmond, said in his evidence to the Committee:

"I do not think that it is the role or responsibility of local government to change a school"...[*Official Report, Children, Schools and Families Public Bill Committee*, 19 January 2010; c. 5, Q11.]

He went on to say that all he could do was make recommendations. He said that

"we are...conscious of the fact that in terms of curriculum and teaching, some of those things might step outside the jurisdiction of the ombudsman".—[*Official Report, Children, Schools and Families Public Bill Committee*, 19 January 2010; c. 7, Q5.]

In other words, the whole process of the pupil and parent guarantees is a complete waste of time. All it will do is add yet another layer of bureaucracy and waste to an education system already deeply mired in bureaucracy and waste.

To compound matters, clause 10 tries to put on to the statute book the recommendations of the Rose review into the primary curriculum—the highly prescriptive six areas of learning, each with a multitude of objectives. The English programme of study alone contains 84 objectives, such as

"to recognise how authors of moving-image and multimodal texts use different combinations of words, images and sounds to create effects and make meaning".

That textual analysis approach to English in primary schools is killing the love of reading. What we need to do is to make sure that every child can decode and read. We must ensure that they have acquired the basic skills of reading by the age of six or seven at the latest and then encourage them to read as many books as possible just for the enjoyment of it. We must make sure that they understand what they are reading but not kill that joy with 84 deadening objectives that have very little to do with reading.

The same bureaucratic approach to policy has led to the absurd "Licence to practise" provision in clause 23. That has received universal opposition from not only the teacher unions, but the General Teaching Council, which is the body charged in the Bill with delivering the licence. The National Union of Teachers has said that it

"can see no argument advanced by Government which justifies the introduction of the licence to practise for teachers."

John Dunford of the Association of School and College Leaders has said:

"what value does a licence to practise add, over and above performance management, CPD and capability proceedings".—[*Official Report, Children, Schools and Families Public Bill Committee*, 19 January 2010; c. 18, Q26.]

Keith Bartley, the chief executive of the GTC questioned, in his evidence to the Committee, whether the measure would have any value in improving teaching. He told *The Times Educational Supplement* that he was concerned that it would be "unduly burdensome" for teachers. He said:

"We need assurances that it won't be another layer of accountability in the system".

It is difficult to find measures in this Bill that have not been the recipient of deep criticism. The provisions in clauses 4 and 5 to create bespoke home-school agreements for each child in the school have been widely ridiculed. ASCL has said that

"it is unrealistic to require Home School Agreements to be personalised for each pupil."

It has gone on to say:

"Such a proposal will be wholly impractical in secondary schools, which may have over 1,000 pupils, and will consume a great deal of school resource."

John Dunford said the following to us:

"Surely a home-school agreement sets out the ethos of the school to parents, and to which parents should sign up. It is not a matter of negotiation between the school and the parent or the school and the pupil."—[*Official Report, Children, Schools and Families Public Bill Committee*, 19 January 2010; c. 17, Q25.]

Policies such as this make one wonder where these ideas are coming from and who is advising the Government.

One of those advisers is, of course, Graham Badman, whose report has infuriated tens of thousands of parents who have made huge sacrifices to educate their children at home, because they are not happy with the quality of education available at the local school, because they are concerned about behaviour or because they have a particular view about how their child's education should be delivered that is not available in the state sector.

Those parents are right to be furious, and my hon. Friend the Member for Surrey Heath (Michael Gove) pointed out why on Second Reading:

"It is a basic right of parents to be able to educate their children in accordance with their own wishes, and to educate them at home if they so wish."—[*Official Report*, 11 January 2010; Vol. 503, c. 456.]

The provisions in schedule 1 undermine that basic right. At the heart of the provisions lies a deep confusion as to the problems Badman was seeking to address—are they safeguarding issues or are they about the quality of education? The terms of reference and the letter from Graham Badman to the Secretary of State appear to focus on the issue of safeguarding and whether home education is being used by some as a cover for abuse. But Badman himself seemed in his evidence to the Committee to be more concerned about the type of education being provided by home educators. The conflation of those two matters has resulted in home educators being subject to annual visits that appear to constitute an implicit suspicion that abuse may be occurring in the homes of the 50,000 families who educate their children at home. That is the cause of the anger. May I pay tribute to my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) for the highly effective parliamentary and national campaign that he has organised on behalf of all our constituents who home educate their children?

Mr. Graham Stuart: What Badman did identify correctly was the need for support for home-educating families. There is no support; local authorities are not providing it. Ministers have moved on from the welfare issue that they started with and have tried to deny that they ever focused on it. They then said, "This is all about support," but there is nothing in schedule 1 about support and everything about a licensing system for parents who do their own thing. We need to put support in place and to work co-operatively and voluntarily with parents. We can then transform support for home education, build relationships between local authorities and not have this draconian piece of regulation, which, I am glad to say, will never become law.

Mr. Gibb: My hon. Friend is absolutely right. The antipathy that the Government have created between local authorities and home educators has worsened as a consequence of these proposals. Chloe Watson from my constituency, who chairs the Home Educated Youth Council, has said that she has noted around the country a breakdown in the relationship between local authorities and home educators since the Badman report was published.

[Mr. Gibb]

We support some of the measures in this Bill, such as clauses 7 and 8, which give new rights to the parents of children with special educational needs. We support the new powers to intervene when youth offending teams fail, and we support the provisions to enable school governing bodies to establish academies.

We also supported clause 42 in the original Bill, which gave automatic charitable status to academies. In the words of the Secretary of State on Second Reading:

"by making the process of establishing an academy easier, by reducing bureaucracy so that, like colleges, universities and voluntary aided schools, all academies are guaranteed charitable status...this legislation represents a sensible piece of deregulation and a reduction in bureaucracy."—[*Official Report*, 11 January 2010; Vol. 503, c. 439.]

Now, alas, the Government—caving in to the anti-academy views in their party—have withdrawn the clause, so we will now have more regulation and an increase in bureaucracy.

This is not a good Bill. It is hugely bureaucratic, hugely expensive and will do little to raise the standard of education in this country. It is an unpopular Bill with all those whom it affects—from the teacher unions to the General Teaching Council to the tens of thousands of parents who choose to educate their children at home. I urge the House, therefore, to put the Bill out of its misery and vote against it on Third Reading.

9.52 pm

Mr. Laws: I, too, want to thank all those who have supported the Bill on its progress through the House so far, including the officials and the Clerk. I also want to put on record our thanks to the Front Benchers from both other parties, who have behaved in a constructive and amiable way throughout the proceedings in Committee, which has made the job that we have had to do in scrutinising this Bill more tolerable.

I also want to thank my hon. Friend the Member for Mid-Dorset and North Poole (Annette Brooke), who always seems to get the concessions on these occasions and who secured a couple of concessions from the Minister for Schools and Learners earlier in the debate. She has now even tempted the Secretary of State into a pledge on new clause 10, which we hope to see delivered before Lord Mandelson announces the date of the next general election. It was very interesting to hear recognition from the Secretary of State that his old friend is now effectively running the Government—

Mr. Patrick McLoughlin (West Derbyshire) (Con): His new friend.

Mr. Laws: His new friend, yes.

In spite of these small bright points in the Bill, we will also be voting against it this evening with some relish. There is a tremendous amount to vote against with relish. The longer I sat in Committee and the more I looked at the faces of some Labour Members who, Ministers will be pleased to see, are not here today, the more convinced I was that this is a Bill that the House should reject.

The House should reject the Bill for two main reasons. First, it is a typical Brown-Balls Bill, if I may say so. It is bureaucratic, centralising and based on the view that the man in the Ministry—the man in Westminster and Whitehall—knows best. It is typical of this Government that the only single, tiny element of the Bill that was deregulatory, and which the Secretary of State championed as deregulatory on Second Reading, is the one bit of the Bill that they have dumped—clause 42, which was referred to a moment ago. It was the only thing that would have reduced regulatory burdens.

Instead, we have got the guarantees and the poor ombudsman who is going to have to police these things. We have also had the bizarre parental satisfaction surveys. I hope that the Secretary of State has read the transcript of the debate and that he knows how ludicrous the Government's position is on these things and how uninterested parents seem to be in the trivial consultation that the Government are entering into.

Then we had the terrifically illiberal proposals on home education. The more we have seen of the Government's proposals, the more we recognise why home educators feel genuinely threatened by the proposals, which will turn what is currently a right to home educate into something that citizens will have to apply for by filling in paperwork to spell out and account for their educational philosophy.

Ed Balls *indicated dissent.*

Mr. Laws: It is no use the Secretary of State shaking his head, because that is what the Government are saying in the Bill. The home education proposals should be chucked out of the Bill, and I hope that very little of the Bill will ultimately make it on to the statute book. I hope that in another place there will be a coalition of views, perhaps across parties on many issues, that a large component of the legislation should not reach the statute book.

The Minister for Schools and Learners said in his opening comments that we have had an interesting and thorough debate, but many of us would question his use of the word "thorough". After all, we managed to scrutinise only 26 or 27 clauses of this 50-clause Bill in Committee, so 23 clauses received no scrutiny at all. Some clauses have received only superficial scrutiny today, and four out of the five schedules to the Bill have not been debated at all. One lesson that Labour Governments ought to have learned in the past 13 years is that legislating in haste, sticking legislation on to the statute book at the last minute and making concessions that we can barely understand to Conservative Members with 30 seconds to go before the end of a one-hour debate on 10 clauses is not the way that we should be legislating. I sincerely hope, for reasons not only of ideology but of good practical politics and administration, that many of the measures in the Bill that are ill-thought-out and that have not been debated properly, including the controversial measures on family courts, will not go through.

Finally, I am very sad about the change that the Government have made regarding sex and relationship education, which did not come out of any pressure in Committee. I do not believe that even the Conservative party, which has traditionally been cautious about such issues, proposed to amend the legislation in that way. Now, we have this amendment that we have not had the opportunity to debate today and that cuts directly across the commitment in the Bill to promote equality and diversity.

Annette Brooke: Does my hon. Friend share my fear that the amendment will trump the very good bits in the Bill on personal, social, health and economic education?

Mr. Laws: Indeed, it will. In spite of what the Secretary of State and the Minister have told us, the sad risk is that we will have sex and relationship education that will mean that, however objective some of the information being delivered is, young people in some schools with some faiths will be told that they are less worthy and less equal and that they are participating in less legitimate forms of activity in their lives, because the Government's good intentions in this area have been stymied by this late amendment that we have not had an opportunity to consider. That makes me genuinely sad, because the Government, who might be just a few weeks away from the end of their period in office, have had a genuinely good record and reputation on challenging prejudice and inequality of opportunity. The Secretary of State and the Minister have let themselves down by allowing through, in the dying days of this Parliament, an amendment that will compromise what would otherwise have been some good proposals in this section of the Bill. That merely gives us greater confidence that we should do all we can to get rid of the bulk of the Bill and prevent it from reaching the statute book.

9.59 pm

Mr. David Drew (Stroud) (Lab/Co-op): I shall be very brief as I hope, Mr. Speaker, that you will call the hon. Member for Beverley and Holderness (Mr. Stuart). I just want to put on record my dismay at the introduction of what I see as a steamroller to crack the nut of home education.

I may have disagreements with some of the home educators in my constituency, but I would like to feel that they have had the opportunity to put across their points of view, not just in petitions organised by the hon. Member for Beverley and Holderness but in a proper debate in this place. We have not had the opportunity to have that debate. That is why I voted against the Bill on Second Reading, and why I will vote against it on Third Reading.

It is a fundamental—

10 pm

Debate interrupted (Programme Order, this day).

Mr. Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E). That the Bill be now read the Third time.

The House divided: Ayes 268, Noes 177.

Division No. 85] **[10 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah

McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Sîhon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Steve McCabe and Lyn Brown

NOES

Afriyie, Adam
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Burt, Lorely
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Drew, Mr. David
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Grieve, Mr. Dominic
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howarth, David
Howell, John
Hunter, Mark
Hurd, Mr. Nick
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Robathan, Mr. Andrew
Robertson, Hugh
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Simmonds, Mark
Simpson, David
Smith, Chloe
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Syms, Mr. Robert
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Stephen

Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.

Bill read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Pensions

That the draft Occupational Pension Schemes (Levy Ceiling) Order 2010, which was laid before this House on 11 January, be approved.—*(Mrs. Hodgson.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

That the draft Pension Protection Fund (Pension Compensation Cap) Order 2010, which was laid before this House on 11 January, be approved.—*(Mrs. Hodgson.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Child Trust Funds

That the draft Child Trust Funds (Amendment) Regulations 2010, which were laid before this House on 20 January, be approved.—*(Mrs. Hodgson.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Investigatory Powers

That the draft Regulation of Investigatory Powers (Covert Surveillance and Property Interference: Code of Practice) Order 2010, which was laid before this House on 5 January, be approved.—*(Mrs. Hodgson.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

That the draft Regulation of Investigatory Powers (Covert Human Intelligence Sources: Code of Practice) Order 2010, which was laid before this House on 21 January, be approved.—*(Mrs. Hodgson.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

That the draft Regulation of Investigatory Powers (Extension of Authorisation Provisions: Legal Consultations) Order 2010, which was laid before this House on 5 January, be approved.—*(Mrs. Hodgson.)*

Question agreed to.

PETITIONS

Islamic Burial Space

10.15 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I present this petition on Islamic burial spaces organised by Mr. Tahir Begg, the Muslim Association of Croydon, and Croydon mosques. Having campaigned on this issue since 2000, I am pleased to read the petition, which states:

The Petition of the people of Croydon and South London,

Declares that there is a severe shortage of burial space for the Islamic community.

The Petitioners therefore request that the House of Commons urges the Government to take steps to secure such burial space.

And the Petitioners remain, etc.

[P000738]

Planning (Elvaston Castle Country Park)

10.16 pm

Mr. Bob Laxton (Derby, North) (Lab): I would like to present to the House of Commons this petition of the Friends of Elvaston, residents of Derbyshire and others against the proposed planning application to lease Elvaston Castle country park in Derby to private developers, in support of a similar petition recently presented to me with 5,200 signatures.

The petition states:

The Petitioners therefore request that the House of Commons urge the Secretary of State for Communities and Local Government to take steps to prevent the approval of the planning application to lease Elvaston Castle Country Park to private developers, in order to preserve the natural environment of the park and its rights of way for public use; and to protect the biodiversity and the important geological and archaeological assets within the Park.

Following is the full text of the petition:

[The Petition of Friends of Elvaston, residents of Derbyshire and others,

Declares that the Petitioners object to the proposed planning application to lease Elvaston Castle Country Park to private developers;

Declares that the change of use to a privately run facility will deprive some sections of the community of the opportunity to use the Castle, which previously hosted activities for all the community; that building a hotel complex and golf course on the land will reduce public open space and lessen the designated green belt; that the beautiful Major Oak Tree in the Paddock, which is around 260 years old, will be felled to make way for the complex; that the golf course may deposit pollutants into the River Derwent and surrounding water courses, and may create risks to the Country Park, Elvaston, Thulston, Ambaston and surrounding areas;

Further declares that changes to the footprint of the 17th century coach road will affect members of the public who use the footpath and that traffic on the planned new road would be in conflict with other Park users and would create air and noise pollution, as well as requiring thinning and felling of trees, some of which are protected species;

Further declares that to access the proposed golf club house, a new road would be needed on or parallel to Bedford Drive, a designated Public Right of Way, and that if the new road is parallel to Bedford Drive then this

[Mr. Bob Laxton]

would require felling of trees, loss of habitat and the creation of air and noise pollution, as well as loss of land for drainage, signage and lighting; that the new road development would fall within the Country Park, green belt and English Heritage Grade 2 Listed Gardens; that increased traffic could cause dangerous road hazards, and that other new roads are also planned that could damage the Country Park;

Further declares that the proposed development could seriously harm the biodiversity of the designated Local Nature Reserve and the Nature Conservation Area within the Park; that the planned golf courses could destroy the Regionally Important Geomorphological and Geological Site containing remains of flora and fauna from the Ipswichian period of the Earth's Development; that archaeological remains dating from every period of history back to the Middle Stone Age could be damaged or destroyed by the planned golf courses; and that the planned actions will contravene many Local and Regional Plans and Planning Policies.

The Petitioners therefore request that the House of Commons urge the Secretary of State for Communities and Local Government to take steps to prevent the approval of the planning application to lease Elvaston Castle Country Park to private developers, in order to preserve the natural environment of the park and its rights of way for public use; and to protect the biodiversity and the important geological and archaeological assets within the Park.

And the Petitioners remain, etc.]

[P000739]

Myalgic Encephalopathy

Motion made, and Question proposed, That this House do now adjourn.—*(Mrs. Hodgson.)*

10.18 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): I am pleased to have been able to secure this Adjournment debate on behalf of my constituents. Over my years as an MP I have had contact with a number of people with myalgic encephalopathy—usually known as ME—from all age groups, who have raised a range of issues with me. A common point is their frustration in being unable to carry on with their lives as they would wish, and not being able to access a range of services that might be needed, including education, employment, benefits and health services. My most recent encounter has been with a young person who, at a critical point in her promising career, has been diagnosed with chronic fatigue syndrome—CFS—is now unable to work, and came to my surgery asking for action. I am going to reflect many of her concerns during this short debate.

I am also in touch with the Dorset ME support group, and would like first to reflect on some of its concerns. It is estimated that there are probably more than 2,000 people in Dorset with ME, and the Dorset ME support group has more than 500 members. A representative made the following points to me. In spite of the chief medical officer's report five years ago, there are still too many GPs and other health professionals who do not recognise ME or sympathise with those with the condition. However, when they are good, they seem to be very good.

The representative said that the group's members with a diagnosis still want a diagnostic test to prove it, because of the doubt and suspicion that they sense, or are faced with, in others. We hope that researchers will address the need for co-operation rather than competition, so that progress can be co-ordinated and funds allocated in the most effective way. The Government have not been seen to be supporting CFS/ME research as urgently as they could. The group's representative says:

"I don't know if anyone has produced figures for the cost to the nation's coffers of the hours of work lost, the benefits paid out, and the cost of treatment for those fortunate enough to be able to access it. It does not appear to be being taken seriously enough...Having to cope with dealing with the benefits system is beyond many of our members which is why we have a full time benefits officer to assist them."

My constituent points out that apart from the fatigue itself, problems with cognitive function make it hard, if not impossible, for many people to complete the complex forms required by the Department for Work and Pensions. Having to attend a medical, sometimes a considerable distance away within Dorset—for example, people from Gillingham have to travel to Salisbury—adds stress to an already stressed situation. Patients who are assessed by the DWP as fit for work, either before they start treatment or while receiving it, usually have their recovery period set back by nine months to a year, again at a cost to the NHS, never mind the cost to the individual.

The Dorset ME support group says that in its experience, the high number of people with CFS/ME being found fit for work under the employment and support allowance regulations leads to a high number of appeals, presumably at considerable cost to the taxpayer. It states:

"Within the Dorset ME Support Group, all our ESA Appeals so far have been successful suggesting that the assessment system

is not fit for purpose where people with ME is concerned. Disability Analysts are trained to look at the disability and not the nature of the condition...Joined up government seems to be lacking."

I therefore ask the Minister to liaise with her counterparts in the DWP.

In Dorset we have a CFS/ME service for children and young people, based in Dorset county hospital and Poole hospital, albeit with very limited funding. The Dorset ME support group secured funding from BBC Children in Need for a part-time child support worker to enhance that service by providing liaison between families, schools, out-of-school education providers and the clinic, and by providing continuing support to the child and family at home. That frees up health professionals' time so that they can concentrate on treatment programmes for the continuing flow of young patients. It has been pointed out to me that with the limit on funding, access to a doctor is limited. I seek the Minister's advice on that, because clearly the Children in Need funding will run out with important work still to be done. The Dorset ME support group says:

"We are aware that some patients feel neglected by the NHS once they have completed their course of treatment. If all patients 'stayed on', the service would grind to a halt."

One of my constituents comments that

"we are lucky that we have a specialist unit for ME at Wareham Hospital but more funding is required for follow up sessions".

I now turn to the core purpose of my debate, which is to highlight the views of a young person who has undertaken a considerable amount of personal research and has strong views on the way forward. She is concerned about some of the issues that I have already highlighted, and particularly about the use of the term "treatment". She has drawn my attention to the differences between myalgic encephalopathy and myalgic encephalomyelitis—I am struggling to pronounce them. The former was the title given to my debate, although I originally specified just "ME" as the title. My constituent has drawn my attention to a source that defines myalgic encephalomyelitis as inflammation of the brain and spinal cord, and myalgic encephalopathy as any non-inflammatory disorder affecting the brain. The same source goes on to state that some doctors and certain charities claim that the problem with ME is that there is no brain inflammation, which is represented by the "-itis" in encephalomyelitis. Certain organisations have therefore decided to keep "ME" in their name, but with the "E" standing for encephalopathy, which, as that definition shows, means disease or dysfunction of the brain without inflammation.

Many distinguished scientists have questioned the abandonment of the "-itis" part of the word. Dr Bruce Carruthers, author of Canada's guidelines on treating ME, wrote that

"-itis is well established in the name ME, and there is no good reason for changing it, since -opathy would not reduce our state of ignorance re ME but serve to further confuse everyone—perhaps that is one of the motives behind the suggestion."

Professor Malcolm Hooper from Sunderland has explained the implications of changing the name of the illness, stating:

"Despite the claims of some psychiatrists, it is not true that there is no evidence of inflammation of the brain and spinal chord in ME; there is, but these psychiatrists ignore or deny that evidence".

For the avoidance of doubt, I shall use the abbreviation ME to stand for myalgic encephalomyelitis.

In general terms, it is suggested that up to 250,000 people are affected by the condition, and symptoms can vary from poor memory and concentration to debilitating fatigue and painful joints and muscles. It can affect all types of people and its causes are not fully understood. It is not a small problem. It is estimated that five times as many people in the UK are categorised as having CFS/ME as have HIV. More than 70,000 are so ill that they are bedbound and require round-the-clock care. The condition affects not only patients, but their families and friends. Schooling, higher education, employment, and subsequently income, social life and family life may all be affected.

Yet how much do we really know about the condition and effective treatment? What is currently on offer? The Gibson report way back in 2006 made many important points, including the fact that the World Health Organisation holds an internationally recognised classification of ME as a neurological illness. The report made many more points about the need for research and a serious examination of the international evidence. It said that the necessary research must be funded immediately, so why is that not happening?

My young constituent has been diagnosed with CFS, a complex disorder characterised by extreme fatigue that lasts for six months or longer. ME is a neurological condition as defined by the WHO. It can present with fatigue as a symptom, but that is not always the case. The causes of ME and CFS are currently unknown, although many scientific studies have shown links to viruses, immune deficiencies and exposure to chemicals.

My constituent has written to tell me that unfortunately, CFS and ME have become lumped together in the UK, allowing the medical profession to dismiss the neurological problems that ME sufferers face, and to deny access to tests that could allow more specific diagnoses. The problem with seeking medical advice on the subject of ME stems from the fact that doctors are under-educated in this area. Many still consider it a psychological condition—which, particularly in the light of recent research in other countries, is simply wrong.

My constituent points out that there are currently no treatments for patients categorised as having CFS/ME. Cognitive behavioural therapy and graded exercise therapy are offered as a means of managing the fatigue aspect of the illness. The Medical Research Council has to date funded research only into the psychosocial aspects of the illness and the management of fatigue: £3 million was spent on a recent pacing, activity and cognitive behaviour therapy randomised evaluation trial, which examined CBT, GET—graded exercise therapy—and other fatigue management techniques, and £8 million was granted to allow specialist CFS/ME centres whose treatments are based on such techniques to be set up around the country.

Those centres and general practitioners, guided by National Institute for Health and Clinical Excellence guidelines for CFS/ME, regard CBT as a treatment. However, my constituent believes that promoting CBT as a treatment is incorrect. If effectively delivered, it might help some people to manage their fatigue, but it cannot remove the cause of their illness. CBT is often used in assisting patients' recovery from cancer and other serious illnesses, and is based on the principle that impairment in daily functioning is due to one's distorted thinking or cognition, but in the case of ME, impairment

[Annette Brooke]

in functioning is not due to those things. If medical tests are done on people with true ME, they would show many abnormalities and physical reasons for impairment in functioning. However, patients diagnosed with CFS/ME rarely get access to any kind of medical testing.

The Medical Research Council funding for biomedical research into ME is next to nothing in comparison with the funding provided for the perceived psychosocial aspects of the illness. The extent of biomedical research into ME has been questioned before. The Government have stated that the reason why the MRC has not funded any biomedical research is that there have not been any good or innovative applications. This is just not true: one scientist, who has applied for and been denied funding, says:

"We have applied several times to the MRC".

This scientist has done some privately funded research into gene expression in CFS/ME.

I do not doubt that there are others who have tried and failed to gain MRC funding, but it is very difficult to find out precisely which applications have been refused. There have been freedom of information requests from patients to find out why the biomedical proposals were rejected, but they have not been successful. It is possible to see how many applications have been made and how many were accepted and refused, but it is not clear which of those were biomedical proposals. Why can the MRC not be more open about this?

My constituent tells me that since 2008 the MRC has set up a panel of experts to look into ME and the research on it. One problem with the panel is the wide range of disciplines covered by its members. It is difficult to see how that panel could work for the benefit of people with ME and their families if the members maintain such opposing views of the illness. As long as ME exists as a diagnosis, the range of conditions that probably come under this title cannot be addressed. It would seem to make more sense to distinguish sub-groups of ME and to acknowledge that research on those sub-groups is the logical way forward. Two years on, the expert panel has yet to take any visible action on the issue of biomedical research. That must raise the question of how urgent it feels the issue is.

For a balanced view of ME, the Government and the MRC should embark on a consultation of all interested parties. That would obviously include the patients themselves. The MRC and the Government currently get their information about patients from charities set up to help those with ME. However, my constituent believes that the two charities that the Government currently consult for advice on ME give particular emphasis to the need for care for, and support of, patients. She is concerned that that can only increase the misunderstandings about the illness, and in itself could suggest that all that patients need is support and sympathy. She feels that that need should go without saying, but that it should be acknowledged that until more is known about the biomedical aspects of ME, care for patients with the condition can not possibly be adequate or effective. In the short term, care is clearly very important, but for the benefit of future as well as current sufferers, new research must be done.

The main charities talk about biomedical research, but are they taking enough action to instigate such work? There are, however, other charities that represent the interest in research, and Invest in ME is one such charity. It holds an international conference every year—this year it will be on 24 May—whose aim is to highlight the need for a national strategy for biomedical research that will lead to treatment and a cure for this devastating illness. ME Research UK and the 25% ME Group—which represents the seriously afflicted—are two charities with similar mission statements.

My own view is that until we know more about the condition, management of the symptoms is an important process. However, it is clear to me that the way forward is to fund biomedical research to find causes and treatments. I believe that that would unite everybody concerned with this debilitating condition. Until that research is done, no one can possibly claim to understand the illness fully, so treatment cannot progress. On behalf of my constituents generally, I call for a complete review of research into ME.

To help address the unique challenges posed by a complex and poorly defined condition such as ME, I would like to call for the establishment of an independent scientific committee to oversee all aspects of ME research. I would like the Government and the Medical Research Council to work with ME sufferers and biomedical researchers to achieve a proper understanding of the condition, challenge unjust perceptions and consider the issue of research funding.

The current NICE guidelines, by recommending CBT and GET, do not follow World Health Organisation guidelines, which categorise ME as a neurological condition. In failing to recognise the biomedical problems of ME sufferers, the NICE guidelines also fail to recognise the needs of ME suffers. My young constituent is right to challenge the current establishment views, and I ask the Minister to take these issues forward.

10.35 pm

The Minister of State, Department of Health (Gillian Merron): I congratulate the hon. Member for Mid-Dorset and North Poole (Annette Brooke) on securing this important debate. As we all know, she has pursued a close interest in the subject on behalf of her constituents with the condition of myalgic encephalopathy. ME is a potentially severe and disabling illness, and most commonly affects people aged 20 to 40. I am not in the least surprised, therefore, that she reflects so well the comments of her young constituents.

The truth is that the causes of ME are unknown. However, I want first to put on the record that we accept the World Health Organisation's classification of ME as a neurological condition of unknown cause. I realise from the hon. Lady's comments that that is an important acknowledgment. I was interested to hear of the work of the Dorset ME society, and I congratulate it on its efforts. I was also interested to hear of the provision made by the local NHS trust and of the views and experiences of her constituents. All that helped to paint a clear picture.

I recognise how distressing ME can be to people living with the condition, their families and those who care for them. I know that much of the distress is caused by the difficulties of recognition, acknowledgment and acceptance of the condition and its impact. As with other chronic conditions, ME can significantly affect physical and emotional well-being, and can disrupt

work and social and family life. I acknowledge the points that have been raised so clearly by the hon. Lady. The case was clearly made that enhanced research, better services and a better understanding of the condition would all make a huge difference to the quality of life of people with ME.

We know that care for people with ME has varied widely, and in the worst cases has sadly left some people with the condition feeling that their illness is not recognised by the health system. In particular, there is a need for them to have access to health professionals with an understanding of their needs, timely access to appropriate services and treatments, and more and better information, communicated in a more understanding and thorough way. It is clear to me that people with ME need and deserve better services, and over the past few years we have sought to address those concerns. The hon. Lady made some important points about the provision and availability of benefits, and I will draw those comments to the attention of the Secretary of State for Work and Pensions.

On the NICE guidance, the hon. Lady will be aware that the Department of Health commissioned NICE to produce a clinical guide for the diagnosis, management and treatment of ME. The publication of those guidelines in 2008 was an important opportunity to change the existing situation for the better, helping both health care professionals and patients by providing advice based on evidence on how to best manage the condition.

Having said that, I am very aware that there are concerns about some of the approaches used for managing ME outlined in the guidelines, and we have to work with patient groups, researchers and other stakeholders to establish what treatment, or combination of treatments, will best help patients to get better.

The hon. Lady referred to cognitive behavioural therapy and the concerns about it not being an effective treatment. Sadly, there is no cure as yet for ME, as we know. Treatment seeks to help people with the condition and their symptoms. I am aware that there are concerns about CBT, but I am also aware that it is known to be helpful to some patients, when applied appropriately and with mutually agreed goals and principles. As with many of the management strategies currently available, it is important that we test out the evidence base. That is why the clinical trial PACE—pacing, graded activity and cognitive behaviour therapy: a randomised evaluation—will be so important in testing the effectiveness of treatments, so that patients can make informed decisions about their care.

It is also important to emphasise that clinical guidelines are not mandatory. The purpose of such guidelines is to support clinical decision making. They are also intended to assist primary care trusts in service development and redesign, but ultimately health professionals are free to use their clinical judgement and, in consultation with their patients, to decide on the most appropriate treatment options, taking into account individual clinical factors. The guidelines recognise there is no one form of treatment to suit every patient, and emphasise that it is necessary to have a collaborative relationship between clinician and patient if success is to be realised. Although all patients want to get better, none should be coerced into accepting any particular form of treatment. Management should always be underpinned by an ethos of joint decision making and informed choice.

The emphasis on empowering patients to become genuine and informed partners in their care is also a key theme of the national service framework for long-term conditions, which is a means to an end, the end being the improvement of services for people with neurological conditions across the country. People with those conditions will get faster diagnosis, more rapid treatment and a comprehensive package of care. We are now working with a range of key stakeholders—for example, the patient groups that represent those with neurological conditions—to identify and develop practical tools and advice that can help local services and organisations to deliver the national service framework. That means that services for people with conditions such as ME will progressively improve over the 10 years of its implementation, through to 2015.

As we know, it is important that the NHS sets its own priorities locally, in response to local need and local circumstances. We acknowledge that there have been many requests for national service frameworks or strategies for particular clinical areas, including ME, so we have established a national quality board to advise on future clinical priorities and the steps that might be taken to promote clinical quality in the identified priority areas. Improvement in the commissioning of local services is absolutely at the heart of our health service's capacity to achieve better results for patients, as well as better value for money.

As part of that, local involvement networks are critical in improving the commissioning of the right services. They play a key role in encouraging and enabling people to influence the commissioning and the provision of health and social care, and bring real accountability to the system. Part of how we improve services is by giving a stronger collective voice to patients and local groups associated with specific conditions such as ME. They can influence the decision makers to ensure that services are more responsive to their needs. Going by the hon. Lady's comments, I am sure that she is working closely with the relevant groups and people to ensure that voices are heard and responded to. The correspondence and representations that the Department of Health receives from patients and patient groups show clearly the determination to influence local decisions. I would encourage people to continue with that involvement.

The hon. Lady rightly referred to young people and children, who have particular needs when they have ME. That is why services for children have been given such prominence by this Government. Nearly all children who are severely affected by ME, as well as many who are moderately affected, will require the provision of home tuition and/or distance learning. A critical element of care will therefore be the assessment and provision of educational needs. Children should have access to as much education as their condition allows, and local authorities have an absolute responsibility to ensure that they do so. An educational plan for a child or young person with ME is not an optional extra but an integral part of their treatment. Educational needs should be identified in the diagnostic process, and adequate provision of continuing education demands close liaison between GPs, community paediatric services, education services and, of course, the young person and their family.

As the hon. Lady said, research is the key to developing new treatments, transforming care and finding a cure for this debilitating condition. Research into ME continues

[Gillian Merron]

to be a strategic priority area for the Medical Research Council. The MRC is one of the main public funders of medical research, receiving its funding through grant-in-aid from the Department for Business, Innovation and Skills. The MRC remains committed to supporting scientific research into all aspects of ME, including evaluations of treatments and studies of the biological basis of the condition.

In 2008-09, the MRC spent £728,000 supporting four separate projects in this particular area. Nevertheless, we recognise there is scope for an expanded research programme for ME. The MRC has set up an expert group, chaired by Professor Stephen Holgate, to consider how best to encourage new research into ME, and how to bring researchers from associated areas into the field. The expert group arranged a small research workshop on ME at the end of last year, and the results will be published on the MRC website in due course. We also need to address the fact that not enough proposals for research are coming forward for consideration.

We are aware of a recent high-profile study that suggested that xenotropic murine leukaemia virus-related virus, or XMRV, is present in a large proportion of people with ME. These results have received widespread media attention. They are potentially exciting, but it is important to note that reports from two separate UK studies do not support the finding of a link between XMRV and ME. It is clear that further research will be required to replicate the original findings, and to show a causative link between XMRV and ME. The MRC's National Institute for Medical Research has a research programme on infection and the replication of retroviruses, including XMRV.

I thank the hon. Lady for bringing this important subject to the attention of the House. I commend the efforts made by her and others to raise awareness of it, which I believe will contribute to a change for the better. I hope that she will agree that the Government recognise the importance of the issues that she has raised, while understanding the immense challenge of ME and taking steps to address it.

Question put and agreed to.

10.48 pm

House adjourned.

House of Commons

Wednesday 24 February 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

MID STAFFORDSHIRE NHS FOUNDATION TRUST

Resolved,

That an humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of the Report, dated 24 February 2010, of the independent Inquiry into care provided by Mid Staffordshire NHS Foundation Trust January 2005 to March 2009.—*(Mr. Frank Roy.)*

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Youth Unemployment

1. **Mr. Andrew Robathan** (Blaby) (Con): What recent discussions he has had with ministerial colleagues on youth unemployment in Scotland. [317401]

The Secretary of State for Scotland (Mr. Jim Murphy): Good morning, Mr. Speaker. Youth unemployment in Scotland has increased in recent months, but since 1997 the number of 18 to 24-year-olds in Scotland claiming unemployment benefit is down by 40 per cent. That issue was discussed at the recent jobs summit in Easterhouse.

Mr. Robathan: After 13 years of Labour Government we discovered yesterday that one in six young people in England between the ages of 18 and 24 are not in employment, education or training. What is the figure in Scotland?

Mr. Murphy: The figures in Scotland have gone down 40 per cent. In Scotland the number of 18 to 24-year-olds claiming unemployment benefit for six months or more was 8,800 in January 2010, so hopefully that answers the hon. Gentleman's question. I would have thought that it would be a matter of consensus across all the political parties that we have to do more together to challenge youth unemployment, because it dampens expectations among the most idealistic and energetic generation, and has the potential to ruin young lives. However, based on the hon. Gentleman's question, it is clear that he does not understand very much about unemployment among young people in Scotland.

Ms Katy Clark (North Ayrshire and Arran) (Lab): Youth unemployment *is a massive problem in Ayrshire,* with North Ayrshire having some of the worst levels of social deprivation in Scotland. Does my right hon. Friend welcome the Ayrshire jobs summit, which is taking place tomorrow, and does he agree that economic growth and job creation are key for the most successful future for Ayrshire?

Mr. Murphy: It is very important that we take a team Ayrshire approach to trying to overcome youth unemployment, and not just youth unemployment. We are keen to ensure that those over 50, who have perhaps not experienced unemployment or been in a job centre for a considerable period—or perhaps never in their lives—do not become used to unemployment and do not spend that period in advance of their retirement settling for a life on unemployment benefits. It is therefore essential that we do more together across all the generations, in Ayrshire and across Scotland.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): In 2000 the then Secretary of State for Scotland boasted that

"For the first time in generations, the end of youth unemployment is a real possibility".

After 10 years of Labour Government youth unemployment has not ended; it has actually shot up by 60 per cent. Last week the Secretary of State said that the onus was on bankers to deal with unemployment. Then he claimed that Scotland's economy had been boosted by the recent snowfall. Has it not occurred to him that youth unemployment in Scotland is high not because there are too many bankers or not enough snow, but because the Government's economic policies are not working?

Mr. Murphy: It is a fact—I thought that the hon. Gentleman would share this view—that a minority of bankers in Scotland have a moral responsibility for their actions and the way they behaved in destroying fantastic international banking institutions, the consequences being, in part, a global recession and rises in youth unemployment. However, because of the actions of this Labour Government, 50,000 jobs have been saved in Scotland. It is clear that the hon. Gentleman does not care about that, because he is so fixated on trying to get only one job, and that is my job, at the next election. The people of Scotland know that. They see through it and they see the Conservative party in Scotland for what it is: less popular today than even in Mrs. Thatcher's time.

David Mundell: I do not think that the Secretary of State should give lectures on people who are seen through. He will acknowledge that a stable and supportive family environment plays a major part in equipping young people with the personal skills needed for employment. Yet Cardinal O'Brien has warned that the Secretary of State's Government are undertaking a

"systematic and unrelenting attack on family values."

Last night the Secretary of State was due to say, "When the Cardinal speaks, people listen." The cardinal has spoken. Is the Secretary of State listening?

Mr. Murphy: It is right that we focus on how we get through this recession together. We are determined to ensure that we support families, through tax credits and the national minimum wage, for example. It is sobering

to reflect on the fact that during the 1980s Tory recession, it took 19 years for the jobs situation to return to pre-recession levels. Nineteen years—nearly two decades—is how long it took Scotland to recover from that recession. The fact is that the Conservative party has not learned the lessons of the 1980s, because it remains committed to cutting tax credits from many families throughout Scotland. It is no wonder that Scotland sees the Tories as a real danger to its well-being.

Gordon Banks (Ochil and South Perthshire) (Lab): I wonder whether my right hon. Friend the Secretary of State could comment on the success of the future jobs fund. He will be aware that his ministerial colleague the Under-Secretary of State visited my constituency recently and saw some of the fruits of the scheme. Is it working in this area?

Mr. Murphy: My hon. Friend has campaigned vigorously in his constituency on the future jobs fund, which is testimony to the way he carries out his politics. He is a fantastic constituency Member of Parliament. We announced 1,300 more jobs in the future jobs fund last week, and there are now 9,000 opportunities in the fund in Scotland. That is the Labour Government subsidising the opportunity for young people and others to have the chance of a job during this recession. The Conservatives are committed to abolishing the future jobs fund, which is 9,000 more reasons in Scotland not to vote for them.

Intellectual Property (Statutory Protection)

2. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What recent discussions he has had with ministerial colleagues on statutory protection of intellectual property arising in Scotland. [317402]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): I have regular discussions with ministerial colleagues on a range of matters concerning Scotland. My Department recently made two orders under the Scotland Act 1998 relating to intellectual property for the Commonwealth games and the register of tartans.

Mr. Pelling: What will be done to protect the intellectual property rights of the people of Stirling if the excavations at the Dominican friary show that the bones that have been found there are indeed those of Richard II, and to provide Government moneys to support DNA analysis and perhaps to allow for an exhibition before the bones of that English king are returned to this country?

Ann McKechin: I am grateful to the hon. Gentleman for providing me with a little advance notice of his supplementary question. It gave me an opportunity to look at the reign of Richard II, which was marked by particular acts of violence. He crushed the peasants' revolt, built up a group of unpopular favourites, arrested, imprisoned and executed the people he worked with, or banished them and confiscated their estates. It sounds a little like a Conservative party selection meeting. More seriously, I am sure that we are all very interested in the results of the archaeological investigation, and that the Scottish Government and the local authority will be more than pleased to promote any find that might be discovered.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Is the Minister aware that there is a tremendous amount of intellectual property involved in building aircraft carriers on Clydeside? Is she also aware that, at this very moment, convenors from trade unions from across the United Kingdom are meeting representatives of the Liberal party to try to get them off the fence on the question of whether they are prepared to support the aircraft carriers?

Ann McKechin *rose—*

Mr. Speaker: Order. May I just say to the hon. Lady on the Treasury Bench that I know that her answer will contain a closely argued reference to the importance of statutory protection?

Ann McKechin: Thank you for your guidance on that point, Mr. Speaker.

My hon. Friend has been a doughty fighter for the aircraft carriers in Glasgow, and he is well aware that the project is important not just for Glasgow but for Scotland and the whole of the UK, and that many people will benefit from it. We should cherish and support the talents and skills of the engineers and workers in our shipyards at all times.

Angus Robertson (Moray) (SNP): Does the Minister agree that it would be naive, misguided and wrong for anyone to claim false ownership, whether in business or in matters of faith?

Ann McKechin: When it comes to intellectual property, we have a good example of the Scottish and UK Governments working together, and we fully support the measures that have been taken on the Commonwealth games order. That has been one of the successes of the devolution settlement, but the hon. Gentleman unfortunately fails to appreciate that because he has only one aim for Scotland, which is to take it out of the United Kingdom and damage it.

Calman Commission

3. **Lindsay Roy** (Glenrothes) (Lab): What recent discussions he has had on taking forward the recommendations of the Calman commission; and if he will make a statement. [317403]

The Secretary of State for Scotland (Mr. Jim Murphy): The Government are committed to strengthening the Scottish Parliament and making it more accountable to the public in Scotland. We will bring forward a Bill early in the next Session of Parliament.

Lindsay Roy: I thank the Secretary of State for his response. Has his commitment to implementing the Calman recommendations diminished in any way following the discussions on them?

Mr. Murphy: As I said, it is important that the powers of the Scottish Parliament should be increased, and that there should be an increased sense of accountability to the public in Scotland. There is a weakness in the way in which the architecture of devolution has been designed, in that the Scottish Parliament is largely responsible for spending money but does not take decisions about how

large its budget should be or how the money should be raised. That is why it is an important part of the Calman recommendations—the vast majority of which we accept—that a patriotic Parliament should be given not only additional powers but, importantly, new accountability.

Pete Wishart (Perth and North Perthshire) (SNP): Only last weekend, we learned of another tragic incident in which a three-year-old boy was shot with an airgun. How many more incidents like that do we have to see before the Secretary of State takes immediate action? The Scottish Government are ready to go, and it is his prevarication that has led to this situation. Will he now get his finger out?

Mr. Murphy: It is pretty cheap and nasty—of course, unusually so for the hon. Gentleman—to try to make politics out of an accident involving an airgun. We are determined to act on this under the Calman recommendations, in great contrast to the Scottish National party's plans for a rigged referendum. A decade after legislating to ban foreign donors in British politics, the SNP's referendum would allow money to flow in from all over the world, in a system that is now found only in the Borda counting systems in Nauru and Kiribati. The SNP's plans for a rigged referendum are absolutely and utterly Kiribati.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The Secretary of State is aware of my view that the present White Paper procedure is unnecessary and that we could have a Bill before the House now. However, since we have this period of delay, will he use the time to ensure that when he brings the Bill forward, it will include a provision to end the practice of double jobbing, whereby people can sit in this Parliament and in the Scottish Parliament, taking two salaries for doing only one job? Surely that has to end.

Mr. Murphy: This is an important issue and we are keen to phase it out. The Government are committed to taking a UK approach to this matter, as it affects Northern Ireland and the Welsh Assembly as well as the Scottish Parliament. I am not that keen to get into the politics of it all, but the issue of whether politicians should have two salaries is important. The hon. Gentleman raises a very important issue. The Government are committed—towards 2011, I think—to phasing out this system of a double mandate and two jobs.

Mr. Carmichael: We can guess why the Secretary of State does not want to get into the politics of it since both Margaret Curran and Cathy Jamieson are seeking to come here as Labour MPs on a dual mandate. When he says that a UK approach should be taken, he ignores the fact that the other place has already decided to deal with this problem for Northern Ireland. Surely that is the example that we should follow, and double jobbing should end now, not at some future date of his choosing.

Mr. Murphy: I do not agree. I think everyone in Scotland knows that there is only one prominent person who is currently double jobbing, but I do not want to make a party political issue of it—*[Interruption.]* Of course, it is the First Minister. The two people whom the hon. Gentleman alludes to are phenomenal campaigners and powerful women who I hope will be elected to the House of Commons. The Liberal Democrats suggest that that is a foregone conclusion, and the hon. Gentleman's lack of confidence might encourage me to be arrogant, but I am not going to do that.

Devolution Settlement

5. **Mr. Mark Harper** (Forest of Dean) (Con): What recent discussions he has had with the First Minister on the relationship between the UK Government and the Scottish Executive under the devolution settlement. [317405]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): My right hon. Friend last met the First Minister on 11 January at the national jobs summit in Glasgow. He also wrote to the First Minister calling on him to delay the referendum Bill and join us in focusing attention on supporting people in Scotland as we move from recession to recovery.

Mr. Harper: I am grateful for that answer. Is the Minister able to tell us why during the financial crisis, which the Secretary of State pointed out hit Scotland hard because of the impact of the banking crisis, the Prime Minister did not meet the First Minister to discuss these important issues for almost a year?

Ann McKechin: I can assure the hon. Gentleman that we continually work constructively together with the Scottish Government on a whole range of issues, including those around the recession and the banking crisis. There have not only been regular meetings between the Prime Minister and the Secretary of State, but regular joint ministerial meetings on domestic issues as well as European and financial meetings. The devolution settlement is working well.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Surely there can be no more important discussion between the Government here and the Scottish Executive than about the confidence of people in the electoral system that elects the Scottish Parliament, which was set up by this Parliament. It seems to me that if the proposal is to put a confused question in a referendum and to have either what was called the Condorcet system, which was last abandoned 80 years ago in Michigan, or the de Borda system, which is used to elect the two Slovenian ethnic minority members, that must undermine the confidence of the people in the electoral system. Surely the Scottish Executive must be called to account on that question.

Ann McKechin: My hon. Friend raises an important point about the lack of proper priorities on the part of the Scottish Government at this time. Our sole priority should be to tackle the recession and to get people back into work, instead of trying to create yet another quango at considerable public expense for no good purpose whatever and conducting a referendum that no one wants at this time.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): More than eight weeks ago, the finance committee of the Scottish Parliament made a perfectly reasonable request for a Treasury Minister to

come to Holyrood and explain the implications of the pre-Budget report for Scotland. No reply has yet been received. The Chancellor may well have been distracted by fighting back the forces of hell, while the Secretary of State may have been distracted by appealing to the forces of heaven. Is there any hope that the two of them might now come down to a more earthly plane, show respect to the Scottish Parliament, and grant that request?

Ann McKechin: This Government have paid respect to the Scottish Parliament by setting up and supporting the Calman commission. The hon. Gentleman took part in that process, and will be aware of the commission's recommendations. We have agreed that we are more than happy for the Secretary of State to visit the Scottish Parliament to discuss issues relating to the Queen's Speech and other issues of government, but regrettably the Scottish Government have been completely unpersuaded to join in and become seriously involved in matters of parliamentary protocol.

Economic Situation

6. **Mr. David Hamilton** (Midlothian) (Lab): What recent discussions he has had with representatives of business and trade unions on the economic situation in Scotland. [317406]

The Secretary of State for Scotland (Mr. Jim Murphy): I hold regular discussions with trade unions and business representatives from across Scotland. As I said earlier, last month I co-hosted a national jobs summit in Easterhouse with the Scottish Government, the Scottish Trades Union Congress and CBI Scotland.

Mr. Hamilton: Last week, when I addressed a meeting at the Rotary Club of Dalkeith, it became obvious to me that the co-operation that has been delivered locally between employers and trade unions is very important if we are to get through the current crisis. May I invite my right hon. Friend to come to Midlothian, meet employers and trade unions, and help them to agree on measures that will allow them to get through the crisis jointly?

Mr. Murphy: I am disappointed to learn that I was not invited to the Dalkeith rotary club event, but I am delighted that it obtained the better speaker in my hon. Friend. Of course I shall be happy to visit his constituency. He has put his finger on something very important: as I have said before, the global importance of the current recession requires a team approach to be taken throughout Scotland by the Labour Government, the SNP Edinburgh Government, business and trade union leaders, so that we can get Scotland through the recession more quickly and more strongly. *[Interruption.]*

Mr. Speaker: Order. Far too many rather animated private conversations are taking place in the Chamber.

Mr. Charles Kennedy (Ross, Skye and Lochaber) (LD): Gaeltec Ltd in Dunvegan on the Isle of Skye faces liquidation at the hands of Her Majesty's Revenue and Customs because PAYE and national insurance contributions have not been paid as a result of financial constraints. Will the Secretary of State reassure the business community that liquidating a company over non-payment of £28,000—leading to redundancy payments that would amount to about £120,000, as well as subsequent unemployment and related benefits—would make no sense whatsoever to the public purse, and that he will lobby HMRC and try to make it see sense?

Mr. Murphy: I am always happy to listen to the right hon. Gentleman when he argues a constituency case so passionately. I will not become involved in the specific detail of the business relationship between HMRC and that one company, but I think he will be reassured to learn that the business payment scheme set up by HMRC has allowed 17,000 Scottish companies to delay their payment of taxes totalling £300 million. However, I will happily look into the specific matter that he has raised.

Unemployment

7. **Mrs. Anne McGuire** (Stirling) (Lab): What recent discussions he has had with ministerial colleagues on reducing unemployment levels in Scotland. [317408]

The Secretary of State for Scotland (Mr. Jim Murphy): Long-term unemployment in Scotland has fallen by 91 per cent since 1997, but there are still too many people out of work, and we are reforming the welfare state and investing in the jobs of the future.

Mrs. McGuire: The number of long-term unemployed people in my constituency has fallen dramatically since the mid-1990s, and the unemployment rate is half what it was during the 1992 recession. Does my right hon. Friend agree that public investment is essential to sustaining private sector jobs? Will he ensure that the Government reject the flawed economic analysis which calls for an immediate slash and burn of the public investment that is crucial to maintaining many of the families in my constituency who work in the private sector?

Mr. Murphy: I hope that my right hon. Friend, who has again argued passionately on behalf of Stirling and the surrounding area, will be reassured by the fact that I agree with what she says, but I know that she will be even more reassured by the fact that the International Monetary Fund agrees with her. During this unprecedentedly severe global recession, it has been necessary for the Government to intervene, such as by supporting the banks, and in particular the Scottish banks, and by supporting people who would otherwise be out of work to stay in work. However, as my right hon. Friend says very clearly, we know that we still have much more work to do to get Scotland through this recession, and we should have no truck with either Conservative plans for immediate cuts or the cloud cuckoo land economics of the Scottish National party.

Rail Services

8. **Malcolm Bruce** (Gordon) (LD): What recent discussions he has had with the Secretary of State for Transport on the adequacy of rail services between England and Scotland; and if he will make a statement. [317409]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): My right hon. Friend and I have regular discussions with colleagues on a wide range of issues.

Malcolm Bruce: Does the Minister acknowledge that there would be no better way to develop the economies of the north of England and Scotland than to make a commitment to invest in a high-speed rail link, as that would stimulate investment there and ensure that Scotland and the north of England can fully participate in the development of the country? Are the Government committed to that step, and do they understand why the Conservative party is not?

Ann McKechin: The right hon. Gentleman correctly refers to the great possibilities high-speed rail offers to the whole country, including Scotland. This Government are committed to making sure that high-speed rail reaches the northern part of the United Kingdom—as well as the west midlands, where the first phase of the project will take place, and which we will report on later this spring. The right hon. Gentleman is also right that we require cross-party political consensus, because this project will take several decades to complete. It is very disappointing that the official Opposition reject the opportunity to take part in dialogue now, on an issue that is important both for the future of this country and for reaching our climate change targets.

Job Opportunities

9. **Mr. Brian H. Donohoe** (Central Ayrshire) (Lab): What recent discussions he has had with ministerial colleagues on the number of job opportunities in Scotland; and if he will make a statement. [317410]

The Secretary of State for Scotland (Mr. Jim Murphy): Despite the global recession, there are 234,000 more people in work today in Scotland than when this Government came to power.

Mr. Donohoe: I thank my right hon. Friend for that answer. He will also want to congratulate both Ryanair on the expansion of its maintenance facility at Prestwick, and the Minister for having the summit tomorrow. However, will he take a look at an issue that is of concern to at least one of my constituents: the whole question of education maintenance allowance, where there is a disparity between Scotland and England? Will he look into that? *[Interruption.]*

Mr. Speaker: Order. The House must at least make an attempt to contain itself, and I know—*[Interruption.]* Order. The House will listen to the Secretary of State.

Mr. Murphy: My hon. Friend's question must be a very popular one, Mr. Speaker! Amidst all the hullabaloo and excitement on the Opposition Benches, he asked about the important issue of supporting young people in Scotland through the recession. It is very important that politicians in Scotland do not take their eye off the ball in terms of the recession, but that has sometimes happened in the Scottish Parliament. Some people seem fixated with the constitution, at the expense of dealing with the recession. When we talk about over 230,000 more people being in work in Scotland, that is not just a large figure, but it tells of an enormous number of families whose lives have been transformed. It is the equivalent of the entire population of the city of Aberdeen being in work today who were out of work during the previous Government's time.

Public Expenditure Levels

10. **Mr. Peter Bone** (Wellingborough) (Con): If he will hold discussions with the Chancellor of the Exchequer to seek to reduce the difference in the per capita level of public expenditure between Scotland and the rest of the UK. [317411]

The Secretary of State for Scotland (Mr. Jim Murphy): In 2007-08, the total expenditure on services per head in Scotland was £9,032. Scotland and England have seen similar percentage increases over the past decade.

Mr. Bone: In Wellingborough, people have £2,199 less public expenditure spent on them than people in the constituencies of the Prime Minister and the Chancellor. Is that fair?

Mr. Murphy: The fact is that the Barnett formula has survived in various versions for more than a century. It survived 18 years of a Conservative Government. That funding formula has been in place, in whichever form, since 1888. It has been protected and has survived those 18 years of Conservative Government, but it now seems to be under threat from this Conservative Opposition.

Search and Rescue Services

11. **Mr. Alan Reid** (Argyll and Bute) (LD): What recent discussions he has had with ministerial colleagues on search and rescue services in Scotland. [317412]

The Parliamentary Under-Secretary of State for Scotland (Ann McKechin): My right hon. Friend has discussions with ministerial colleagues on a range of issues.

Mr. Reid: Privatisation of the search and rescue services has caused great concern in my constituency, particularly given the reported reduction in the number of helicopters from 38 to 24. I hope that the Government have rigorous plans in place to monitor the effectiveness of search and rescue services once they are in the private sector and that the Minister will be able to reassure me on that today.

Ann McKechin: I can reassure the hon. Gentleman that there will certainly be no degradation of the existing service, from which I know his constituents benefit. In particular, I should say that the new helicopters that will be introduced will have more capability and a faster response time, which I am sure will be welcomed.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [317416] **Mr. Jamie Reed** (Copeland) (Lab): If he will list his official engagements for Wednesday 24 February.

The Prime Minister (Mr. Gordon Brown): Before I answer the question, may I pay another tribute to our troops? They are working with incredible bravery, with fortitude and with dedication to defeat those who would bring terrorism to the streets of Britain by denying the

terrorists both land and support and by offering the population of Helmand in Afghanistan a more secure and more prosperous future. I know that the House will join me in paying tribute to the seven soldiers who have lost their lives since the House last met: from 1st Battalion Coldstream Guards, Lance Corporal Darren Hicks; from 1st Battalion Grenadier Guards, Lance Sergeant David Greenhalgh; from 6th Battalion The Rifles, attached to 3rd Battalion The Rifles, Rifleman Mark Marshall; from 2nd Battalion The Duke of Lancaster's Regiment, Kingsman Sean Dawson; from 36 Engineer Regiment, the Royal Engineers, Sapper Guy Mellors; from 1st Battalion Coldstream Guards, Lieutenant Douglas Dalzell; and from 1st Battalion Scots Guards, Lance Sergeant David Walker. These were men of exceptional bravery, of great courage and great skill, whose loss is deeply felt. Each and every one of them was a hero, dedicated to their colleagues and to their mission. We send our profound condolences to their families and loved ones.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr. Reed: I am sure that everyone in the House will want to associate themselves with the Prime Minister's comments.

My constituents never shared in the bankers' bonuses yet they paid to bail out the banks. What assurances can my right hon. Friend give me that they will get their money back, that we will not allow bankers' greed to threaten our core public services and that we will not, ever, squander this investment on a half-baked public share offer?

The Prime Minister: First of all, we have imposed a 50 per cent. national insurance tax on bank bonuses, which has to be paid by everybody who is paying cash bonuses over the course of the next year. We have insisted on the application of the G20 rules, which means that cash bonuses above a certain amount cannot be paid—they can be paid only at a later date. We are also working for a global banking levy; we are in discussions with other countries and making progress on how that could be administered. At the same time, we are determined that the banks pay back every penny that is owed to the British public. That is an essential means by which we reduce the deficit, and any plan to give cut-price shares would mean that the deficit would be higher and the public would be denied the money that they should have returned.

Mr. David Cameron (Witney) (Con): First, may I join the Prime Minister in paying tribute to the seven servicemen who have been killed in Afghanistan since the last time that we met: Lance Sergeant David Walker; Lieutenant Douglas Dalzell; Sapper Guy Mellors; Kingsman Sean Dawson; Rifleman Mark Marshall; Lance Sergeant David Greenhalgh; and Lance Corporal Darren Hicks? We are paying a high price for the operations we are undertaking in Helmand, but it is an essential mission and our forces and their families need to know that they have the support of the whole House and the whole country in the work that they are doing.

While the report into the Stafford hospital has only just been published, I want to ask a couple of questions before turning to other subjects. Hundreds of people went into that hospital—some with relatively straightforward ailments—and ended up dying because of the way they were mistreated. Talking to the relatives, as many of us in this House have done, is absolutely heartbreaking. Does the Prime Minister understand that these victims will never be content with an inquiry that was conducted in private, behind closed doors and without any public hearings? Does he understand their clamour for a public inquiry?

The Prime Minister: Let me say, first of all, that we understand both the sadness and the sorrow of all the relatives who lost their loved ones in the Mid Staffordshire NHS Foundation Trust. We know that every single one of those cases where relatives have doubts or questions are now being investigated individually. I understand that more than 300 cases are being investigated and every one of the families deserves to have the answers that are necessary. That is the first form of inquiry that is being done.

The second form of inquiry is the Francis inquiry, which, as the Secretary of State for Health will report in a few minutes, will continue its work on the regulation and supervision of foundation hospitals and, in particular, of this hospital. What happened in this hospital was completely unacceptable. What happened was a management failure in the hospital. When it comes to accident and emergency, I am shocked not only to read the stories but to find that where there should have been four consultants, there was only one, and that where there should have been 55 nurses, there were only 37. This is a failure in management that has to be dealt with. I am grateful to the Secretary of State for Health for bringing forward a series of recommendations including a recommendation that where management fails, just as with doctors, we should be able to strike off from a list those managers who are not acceptable to health authorities.

Mr. Cameron: I am grateful for that answer, but is not one of the tragedies of Stafford the fact that people were dying because of bad practice—not just bad management, but bad clinical practice and an over-adherence to processes—year after year. Death rates at the hospital were far too high and were out of line from 2005, yet the Healthcare Commission started investigating only in 2008. Is it not clear that the structure of primary care trusts, strategic health authorities and the Healthcare Commission did not bring this to light early enough? Does the Prime Minister agree that we need a better way of publishing results and patient outcomes in our hospitals and that we need openness, clarity and transparency to stop this happening again?

The Prime Minister: Yes, but the right hon. Gentleman should recognise the action that we have already taken: a new quality test for foundation trusts; a new requirement for approval by the NHS medical director; a Care Quality Commission investigation; reviews are under way; we can remove the chairs of the trusts more easily; and there is already an early-warning system in place. All those things have been done already but, at the same time, the Secretary of State will announce later that there will be an inquiry into mortality ratios and whether that is the best way of judging whether a hospital is successful. There will be proposals about the deauthorisation of foundation trusts and, of course, we know that there are also disciplinary hearings under way. We have done

everything we can to ensure that after this was exposed we have not only investigated the individual worries of families who are affected but learned every lesson possible so that it will not happen again. We have a statement this morning from the interim chair of the Care Quality Commission that says:

"We have no reason to believe that there is another trust in England with problems of the scale and magnitude that existed in Mid Staffordshire".

I want to reassure people on that and also to reassure them that we are constantly tracking the situation.

Mr. Cameron: Just as we need openness in the health service, we need openness at the heart of Government. After the Chancellor's extraordinary statement last night, the Prime Minister said this morning on GMTV:

"I would never instruct anybody to do anything other than support my Chancellor".

Will he try to stand up with a straight face and tell us that that is true?

The Prime Minister: Not only is that correct, but this is the nearest that the right hon. Gentleman has ever got to talking about the economy in the past few months.

Mr. Cameron: If the Prime Minister wants to talk about the economy, we can talk about—*[Interruption.]*

Mr. Speaker: Order. Members must calm down. The Leader of the Opposition must be heard.

Mr. Cameron: We can talk about the Prime Minister trebling the deficit, about wrecking the pension system, about ruining the tax system and about bringing this country to its knees. Right now, six weeks before an election, with a record Budget deficit, at the end of a long recession, I want to ask why the Prime Minister and the Chancellor are at war with each other. This is what we are told—*[Interruption.]* If they get any closer, they will start kissing. We are told that Damian McBride, Gordon Brown's spin doctor, was "spreading poison against Darling" and that he

"told every journalist who had access to a pencil that Alistair's interview was a disaster."

We are also told that there was the most poisonous briefing against him. Last night, the Chancellor said that after he had said what he had said, No. 10 Downing street unleashed "the forces of hell". Why does the Prime Minister think that he said that?

The Prime Minister: I have already answered the right hon. Gentleman's question. I never instructed a briefing against the Chancellor.

When it comes to the question of the economy, which the right hon. Gentleman has raised, can he and his party now explain why they were for reducing the deficit, then against reducing the deficit and are now for reducing the deficit again? None of his policies stand up, and that is why there is never any substance from the Leader of the Opposition.

Mr. Cameron: It was this Prime Minister who put character at the heart of the election. It was this Prime Minister who asked to be judged on his moral compass. Why is it that the moral compass always points at someone else rather than at him?

This is a verbatim, eye-witness account from one of the journalists. Listen to this:

"Brown's point man...turned to the journalists and started laying in"—*[Interruption.]*

Mr. Speaker: Order. If hon. and right hon. Members do not stop shouting, I may have to ring some sort of helpline myself—or, worse still, suspend the sitting. This sort of noise and ranting makes an extremely bad impression on the British public. I appeal to the House to have some regard for the way in which we are viewed by the electorate. The House will hear the Leader of the Opposition.

Mr. Cameron: I gather that things have got so bad in Downing street that even the security guards need protection. Let us just keep it simple. Will the Prime Minister get to his feet and tell us that he knew absolutely nothing about the briefing against his Chancellor? Will he, in front of all these people who have worked with him for so long, after 27 ministerial resignations and after three attempts to get rid of him, get to his feet and tell us that he knew nothing about the briefing against the Chancellor?

The Prime Minister: The right hon. Gentleman is not doing very well. He has asked me the same question three times and I have answered it. I would rather be defending my Chancellor than be in his position of having to defend his shadow Chancellor. The truth of the matter is that the Chancellor has been right on every issue of economic policy over the past two years and that the shadow Chancellor and the Leader of the Opposition have been wrong on every issue in the past few years.

Mr. Cameron: If the Chancellor was right, why was the Prime Minister trying to get rid of him? The Prime Minister wants to talk about the economy; let me give him one statistic and see if he will confirm it. Figures out today show that gross domestic product per capita is lower today than when this Government began. Will he confirm that they are the first Government in 40 years to leave this country poorer than when they began?

The Prime Minister: The Chancellor and I can confirm that GDP is higher per head than it was in 1997. *[Interruption.]* That is the question that the right hon. Gentleman asked and that is the answer he will get. The problem with the Leader of the Opposition is that not one time does he ask any question about the substance of policy: he gets it wrong every time. People are now taking a hard, long look at the Conservatives and they are now seeing through them

Hon. Members: More!

Mr. Speaker: Order. I am sure that hon. Members want to hear Liz Blackman.

Q14. [317429] **Liz Blackman** (Erewash) (Lab): Thank you, Mr. Speaker. First, may I add my condolences to those of my right hon. Friend regarding David Greenhalgh, who lived in Ilkeston in Erewash—my constituency—and was a very brave young man?

To receive a diagnosis of cancer must be one of the most frightening experiences in anybody's life. Currently, 94.1 per cent. of patients see a cancer specialist within two weeks. May I welcome the Government's intention to build on that incredible progress and to make the two-week goal a legal entitlement, thus further reassuring patients with cancer and their families?

The Prime Minister: I am grateful to my hon. Friend, who has taken a very keen interest in how we can make progress against cancer in our country. The truth is that if people get early screening and diagnosis, there is a 90 per cent.-plus chance of survival from breast cancer and other forms of cancer such as bowel cancer. That is why we are so keen that everybody who is worried can see a specialist and get a diagnosis as quickly as possible. That is what will save lives.

Our policy of having a two-week guarantee, now reduced to one week, has massive support throughout the country. I cannot understand for the life of me why the Conservative party is against these guarantees that we give to every patient in the country. If the Opposition want to show their commitment to the NHS, they should support the guarantees for cancer care.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I would obviously like to add my own expressions of sympathy and condolence to the families and friends of the seven brave soldiers who tragically lost their lives serving so selflessly and professionally in Afghanistan since the House last sat. They are Lance Corporal Darren Hicks, Lance Sergeant David Greenhalgh, Rifleman Mark Marshall, Kingsman Sean Dawson, Sapper Guy Mellors, Lieutenant Douglas Dalzell and Lance Sergeant David Walker. We all owe them and their families an eternal debt of gratitude.

The last time that the Prime Minister wheeled out his slogan "A future fair for all" was back in 2003. Then, just as now, the poorest were paying more of their income in tax than the richest, but there is one big difference—since 2003, the gap between what the poorest and the richest pay has doubled. How can he possibly call that fair?

The Prime Minister: As I have said to the right hon. Gentleman before, he has to include the importance of tax credits. He forgets that 6 million families in this country get child tax credits, that child benefit was worth only £10 when we came to office, and that the child tax credit is worth anything from £30 to £100 for a family of one or two. That is why we have been able to reduce child poverty in this country. Because we support the policy of tax credits, we will continue to reduce child poverty in this country.

Parties that want to cut child tax credits, as the Conservative party does, will put more children in poverty in this country. That is why we oppose the Opposition's policy.

Mr. Clegg: The Prime Minister reels off his so-called record, but he has asked us to take a second look and what do we find? The 10p tax rate hit hard-up families, and the hike in national insurance hit people who work hard and play by the rules—tax injustice for the many, tax breaks for the few. Given what happened the last time that the Prime Minister promised a future fair for all, is it not the truth that this is not a slogan but a warning?

The Prime Minister: I thought that the right hon. Gentleman would do better than that. First, we have been dealing with tax breaks at the top, including removing pension tax reliefs for those who are very wealthy, and I hope that he will continue to support our policy. The Chancellor has signed an agreement with Lichtenstein that will bring £1 billion of money back to this country. As far as helping everybody is concerned, it is our policy of helping the unemployed and helping people out of recession that is making the difference between poverty and people having sufficient to live on. That is why, because of our policies, there are half a million more people in work than was predicted even at the time of the Budget. That is what makes the difference to poverty.

Mr. Virendra Sharma (Ealing, Southall) (Lab): Will the Prime Minister and the whole House join me in condemning the kidnapping and the brutal murder by beheading of two young Sikh men in Pakistan by an extremist Taliban group? Will he share with the House the action that the Government are taking to assist the Pakistan Government in protecting minority groups in Pakistan from the Taliban?

The Prime Minister: The danger posed by the Afghan Taliban and the Pakistan Taliban, which both work from Pakistan, becomes more and more obvious every day. When my hon. Friend refers to the murders of people in Pakistan by the Pakistan Taliban, he is referring to violent incidents that are happening every day as a result of the efforts of the Taliban. We are working with the Pakistani authorities so that we can make inroads into the Taliban. There has been some success with the leadership of the Afghan Taliban in the past few weeks, but we will continue to work with the Pakistan security authorities and we will continue to say to the Pakistani people, "We will help children with their education. We ask you to work with us so that the madrassahs cannot have an evil influence on the young people of Pakistan."

Q2. [317417] **Mr. David Heathcoat-Amory** (Wells) (Con): The Prime Minister will know that Government expenditure on advertising, marketing and self-promotion went up by more than 40 per cent. last year. As it obviously is not working, will he cut it out?

The Prime Minister: We have already announced that we are going to halve the Government advertising budget and the consultancy budget. The right hon. Gentleman should know that.

Mr. David Clelland (Tyne Bridge) (Lab): Is the Prime Minister aware that February was designated by the Office of Fair Trading as scams awareness month? Does the attempt by the Opposition to pose as a party fit for government not qualify as one of the biggest scams in recent history? Will he join me in logging on to the scamnesty website to draw attention to this latest example of a blatant "scameron"?

The Prime Minister: The Opposition are a party led by the airbrush and they are financed from offshore.

Q3. [317418] **Mr. David Amess** (Southend, West) (Con): My constituent, Stephen Oliver, died at the age 30 in tragic and mysterious circumstances late last year. Stephen's family are very disappointed by the Greek

authorities' failure properly to investigate his death, and by the British Government's seeming acceptance of the situation. Will the Prime Minister take a personal interest in the case and try to get the answers to the questions raised by the family?

The Prime Minister: I am grateful to the hon. Gentleman for giving me advance notice of the question. Like him, I am very sorry to hear of the tragic death of Stephen Oliver in October last year and I, too, send my sincere condolences to the Oliver family. I understand that consular staff in London and in Greece are ready to provide advice and assistance to Mr. Oliver's family as appropriate, including advice on how best to seek further information about the circumstances of his death. I will make sure that that is done. I am sure that ministerial colleagues at the Foreign and Commonwealth Office will look further into any concerns that the hon. Gentleman may have.

Mark Durkan (Foyle) (SDLP): Can the Prime Minister confirm that he condemns not only the use of false UK passports in a criminal operation, but any act of state-sponsored assassination anywhere? Will he drop the Government's plans to amend the law on universal jurisdiction, which has so far been justified on the basis of the need to protect Israel's right to due diplomatic conduct and to proper inter-governmental engagement—standards for which the Israeli Government showed utter contempt by the disdain with which the Israeli Foreign Minister treated the Foreign Secretary this week?

The Prime Minister: I can assure the hon. Gentleman that where there are questions about the misuse of British passports, they have to be answered. We have set up an investigation, which is ongoing, into the very instance that he raised. I would not draw immediate conclusions without seeing the evidence. It is important to see the evidence before any further conclusions are drawn, but I agree that we do not support state-sponsored terrorism in any country. I should say to the hon. Gentleman that the laws on international jurisdiction affect all countries, not just one country.

Q4. [317419] **Mr. Stewart Jackson** (Peterborough) (Con): As has been well chronicled, the Prime Minister had a famously tempestuous relationship with his predecessor, who described him as a "big clunking fist". Did he mean it literally?

The Prime Minister: Once again, the Conservative party cannot raise an issue of policy. Yesterday we had an education statement; on Monday we had a business conference with announcements of new investment; and a Conservative Back Bencher gets up with a planted question from his Front Benchers and cannot ask a question even about his own constituency.

Q5. [317420] **Ms Dari Taylor** (Stockton, South) (Lab): My right hon. Friend knows that the whole of Teesside is waiting for news about Corus. That company, whose order book was 80 per cent. full in December, has now been mothballed and 1,700 people have been made unemployed. Will the Prime Minister tell the House this afternoon what his Ministers are doing to secure and to help to secure a purchase, and whether it is the case that Tata is unprepared to sell the company and speak to British Ministers?

The Prime Minister: First, I share my hon. Friend's anger about what has happened on Teesside, and the loss of 1,700 jobs in any area is unacceptable. The loss of 1,700 jobs in an area that has depended on that industry for years and had a contract that would have guaranteed future work for many future years is more unacceptable, and we have to look at that very carefully. As I think the House knows, there was a contract involving four companies which would have guaranteed the output of the plant. That contract broke down through the partners in it disagreeing among themselves about the future.

We are doing everything that we can to find a buyer for the plant. I have personally talked to Mr. Tata and to the chief executive of Corus, and I have met people in the area who are concerned about what is happening to the jobs and the prospects for young people there. As we look for a potential buyer, we have also put £60 million into the Teesside area so that we can create new jobs, new training opportunities for jobs and new developments in the area that will provide jobs in the future. But I share with my hon. Friend my anger at what happened; and I am determined that our Government will do everything that we can to make sure that people who lose jobs get jobs in the future, and, if we can avoid it, that people do not lose jobs at all.

Anne Main (St. Albans) (Con): Since 2008 and the introduction of new rules on motorcycling and tests, the number of people taking the test has declined by 62 per cent. and the number of people passing the test has declined by 58 per cent. The motorbiking industry is extremely important in the UK. What will the Prime Minister do to rectify what is obviously a very poor system?

The Prime Minister: I shall take the figures that the hon. Lady has given me and ask the Transport Minister to look into that very matter. It is important that we have a strong motorcycling industry in this country, and it is important that her question about the specifics of the tests be answered.

Q6. [317421] **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): Kensley Larrier was convicted of rape in 2005, based on DNA held on the national database. Is it not the case that if storage were restricted to three years, he would be walking free?

The Prime Minister: This is a very important issue, and a national debate would help us to resolve these issues. Last year there were 832 matches to the national DNA database, and those were made in cases of murder, manslaughter and rape. That is why the database is supported by the families of victims as essential in protecting the public. So any Conservative party proposal that reduces the DNA register's ability to punish and find those people who are criminals is, I believe, a step backwards for justice in the country. I hope that the Conservative party will think again about a policy that would leave people who are guilty free as a result of our inability to take the action that is necessary.

Q7. [317422] **Mr. Richard Benyon** (Newbury) (Con): The words of respect that the Prime Minister spoke today about Lieutenant Douglas Dalzell will be echoed in every corner of the west Berkshire community from

where he came. Does the Prime Minister agree that nearly everyone in this country supports our troops, but that a sizeable proportion of the population are at least sceptical of our role in Afghanistan? Does he share my feeling that there is a moral imperative on him and his Ministers to articulate and inform people of the value of the work that our troops do there, and of the necessity of stabilising that region?

The Prime Minister: I share the sympathies that the hon. Gentleman expresses to the family of his constituent who tragically lost his life. I share also with the hon. Gentleman the urgency to persuade the country that, first, we are in Afghanistan because there is a threat of terrorism on the streets of Britain. I repeat that the majority of the serious terrorist plots that have been discovered in Britain and would threaten the lives of people in Britain come from the Afghanistan-Pakistan area. In other words, they do not come from plots within Britain or Europe. They are organised from the Afghanistan-Pakistan area, and that is why we are in Afghanistan—to prevent al-Qaeda running Afghanistan through a Government who would be run by the Taliban themselves.

I say secondly to the hon. Gentleman that we have got to persuade people that we have a purpose for our mission, and that is to train up the Afghan forces. There will be 300,000 Afghan police, security forces or army in 2011; they will be a far greater force in numbers than the coalition forces together. Gradually, the Afghan forces, as in Operation Together, have got to take security control of their country to allow our troops to come home.

Q8. [317423] **Mr. Neil Gerrard** (Walthamstow) (Lab): People in my constituency want to know what the Government's priorities will be after the election. Surprisingly, fox hunting is not an issue for them, but taxation is. Could the Prime Minister confirm that he will definitely not have as a priority cuts in inheritance tax for the benefit of a small minority of people effectively paid for by everyone else out of their taxes?

The Prime Minister: The Opposition have announced that they wish to cut the child trust fund and cut child tax credit, and they would cut the Sure Start children's centres in our constituencies—and where would the money go? To pay for an inheritance tax cut for only 300,000 people. It does not take much time to leaflet those 300,000 people to tell them that they would be £200,000—

Mr. Speaker: Order. I think that we are clear about the Government's position.

Q9. [317424] **Mr. Michael Ancram** (Devizes) (Con): Does the Prime Minister agree that renewed acts of terrorist violence in Northern Ireland are not only threats to the peace process but direct attacks on the very communities from which these terrorists come?

The Prime Minister: There are Members here in all parts of the House who are from Northern Ireland or care deeply about Northern Ireland. I agree with the right hon. and learned Gentleman that any renewed terrorist attacks are something that we must be vigilant about and take the necessary action to stop. As he knows, large numbers of previously terrorist organisations have decommissioned their weapons and announced that they are ceasing violence. Two organisations have not done that, and pressure must be brought to bear upon them. The way we show terrorist organisations that we will have no truck with their violence is by building up the strength of the political and democratic process in Northern Ireland. That is why I urge all parties—parties in this House and in the Northern Ireland Assembly—to support the agreement that will mean the devolution of policing and justice and the end to a process of constitutional conflict over many years in Northern Ireland. That would be the biggest signal we could send to anybody who is interested in terrorism in Northern Ireland.

Q10. [317425] **Stephen Pound** (Ealing, North) (Lab): I enjoy a pint of porter and a game of darts as much as any old Etonian, but there the similarity ends. Can I ask my right hon. Friend to strain every sinew to try to achieve an international agreement on a Robin Hood tax, bearing in mind that we all know who in this House speaks for the Sheriff of Nottingham?

The Prime Minister: I cannot beat the humour which my hon. Friend brings to this occasion. When the Leader of the Opposition is having his next pint of Guinness and playing darts, he might consider this: there is growing support across the world, just as there was growing support to deal with the recession in a way that he would not propose to deal with it, for a global levy that will put the place of financial institutions firmly at a global level and make a contribution to society. That is the way forward—a global levy, a global banking organisation, and global financial institutions working together. I hope that the Opposition can see beyond their antipathy to Europe to support global action.

Mr. Speaker: Statement by the Prime Minister—*[Interruption.]* Order. If hon. Members are leaving, I should be grateful if they would do so quickly and quietly.

Child Migration

12.33 pm

The Prime Minister (Mr. Gordon Brown): With permission, Mr. Speaker, I wish to make a statement.

Until the late 1960s, successive UK Governments had over a long period of time supported child migration schemes. They involved children as young as three being transported from Britain to Australia, Canada, New Zealand, South Africa and Zimbabwe. The hope was that those children, who were aged between three and 14, would have the chance to forge a better life overseas, but the schemes proved to be misguided. In too many cases, vulnerable children suffered unrelenting hardship and their families left behind were devastated. They were sent mostly without the consent of their mother or father. They were cruelly lied to and told that they were orphans and that their parents were dead, when in fact they were still alive. Some were separated from their brothers and sisters, never to see one another again. Names and birthdays were deliberately changed so that it would be impossible for families to reunite. Many parents did not know that their children had been sent out of this country.

The former child migrants say they feel that this practice was less transportation and more deportation—a deportation of innocent young lives. When they arrived overseas, all alone in the world, many of our most vulnerable children endured the harshest of conditions, neglect and abuse in the often cold and brutal institutions that received them. Those children were robbed of their childhood, the most precious years of their life. As people know, the pain of a lost childhood can last a lifetime. Some still bear the marks of abuse; all still live with the consequences of rejection. Their wounds will never fully heal, and for too long the survivors have been all but ignored.

When I was first made aware of this wholly unacceptable practice, I wrote to the Prime Minister of Australia to urge that together, we do more to acknowledge the experiences of former child migrants and see what we could achieve. It is right that today we recognise the human cost associated with this shameful episode of history and this failure in the first duty of a nation, which is to protect its children.

Shortly, I shall be meeting a number of former child migrants here in the Palace of Westminster to listen first-hand to their experiences, and as Prime Minister, I will be apologising on behalf of our nation. To all those former child migrants and their families, to those here with us today and those across the world—to each and every one—I say today that we are truly sorry. They were let down. We are sorry that they were allowed to be sent away at the time they were most vulnerable. We are sorry that instead of caring for them, this country turned its back, and we are sorry that the voices of these children were not always heard and their cries for help not always heeded. We are sorry that it has taken so long for this important day to come, and for the full and unconditional apology that is justly deserved to be given.

I would like to recognise the work of my right hon. Friend the Member for Rother Valley (Mr. Barron) as Chairman of the Select Committee on Health, and of his predecessor the former Member for Wakefield, David Hinchcliffe. For their commitment to this cause, I would also like to praise all past and present members of the Commons Health Committee and the all-party group on child migrants. I would also like to pay tribute to the work of the Child Migrants Trust and the International Association of Former Child Migrants and their Families, which have campaigned for justice over many years. I know that the House will join me in paying special tribute to Margaret Humphreys, who founded the Child Migrants Trust and has been a constant champion and fighter for child migrants and their families.

Although we cannot undo the events of the past, we can take action now to support people to regain their true identities and reunite with their families and loved ones, and to go some way to repair the damage that has been inflicted. I can announce today support for former child migrants that includes the establishment of a new £6 million family restoration fund.

There are many painful memories as a result of the child migration schemes, and for many, today's apology will come too late for them to hear it. We cannot change history, but I believe that by confronting the failings of the past we show that we are determined to do all we can to heal the wounds. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): On behalf of the Opposition, I welcome what the Prime Minister has said and the moving words of the Australian Prime Minister Kevin Rudd, who spoke last November of

"the tragedy—the absolute tragedy—of childhoods lost."

This was something that happened under British Governments of all parties, and the apology made is on behalf of all of us.

We on the Conservative Benches join the Prime Minister in sending our good wishes to those affected, including those in London today and those attending events in other countries. We join him also in praising campaigners such as Margaret Humphreys and the Child Migrants Trust, as well as the work of the Health Committee.

It is hard to believe that this went on for so long that the last children sailed in 1967, after most of us in the House were born. Anyone who studies what happened—it happened systematically and for so long—will be profoundly shocked at the splitting of families, the lies and abuse that took place, the official sanction that made it possible, and as the Prime Minister said, the heartache that it caused.

In his apology, Kevin Rudd emphasised the projects that the Australian Government are supporting to provide what he described as a solemn reminder of the past. Bearing in mind our very close ties with Australia and the other Commonwealth countries affected, it is important that we do all we can to assist in that work.

It is right to judge a society on how it cares for its most vulnerable, especially our children, so should not our legacy to future generations be to do all that we can to make sure that the lessons from these appalling events are learnt and applied, so that such terrible mistakes can never happen again?

The Prime Minister: I am sure the whole House would want to thank the Leader of the Opposition for his eloquence in stating that there is not just Government support, but all-party support for the action that we are taking today. I believe that these sentiments will be shared in every part of our country.

Mr. Nick Clegg (Sheffield, Hallam) (LD): Of course, I add my own voice and that of my party to the Prime Minister's apology for Britain's role in the child migrants programme. An apology—we all know this—will never heal the extraordinary pain and hardship that was inflicted on thousands of vulnerable children and their families, but I hope today's apology will go some way to start to atone for Britain's record in this shameful episode in our history.

I join the Prime Minister in paying tribute to all involved in recognising the plight of those who suffered, including current and former Members of this House, but especially the Child Migrants Trust and the International Association of Former Child Migrants and their Families, which have done so much to try to heal the pain. I specifically welcome the Prime Minister's announcement that he will establish a family restoration fund—that is very welcome indeed.

I pay tribute to those child migrants in London today and, of course, those who are not. The suffering that they endured is simply unimaginable; the apology they are now owed is unlimited.

The Prime Minister: The child migrants who are with us today will be pleased to know that every main party—and, I believe, all the parties—in this House are supporting both the apology and the efforts that we are making to deal with some of the problems that they still have by the creation of the new fund. I thank the right hon. Gentleman for the eloquence of his tribute to what is being done.

Mr. Kevin Barron (Rother Valley) (Lab): On behalf of the Health Committee, may I thank my right hon. Friend for his statement and for the Government's continuing support for former child migrants? In 1998, when the Committee decided to do the inquiry under the chairmanship of the former Member for Wakefield, David Hinchliffe, two members of the current Committee were involved—the hon. Member for Poole (Mr. Syms) and my hon. Friend the Member for Dartford (Dr. Stoate). Does the Prime Minister agree that it was the independence and resources of that Back-Bench Committee which enabled this dark chapter in the UK's history to come out of the shadows and to make this day possible?

The Prime Minister: I do agree with my hon. Friend and I pay tribute to his personal work in making people aware of the problems that still had to be faced and the need for far further action than had been proposed. It was when he first came to me that I realised that the action we were proposing was insufficient to deal with the problem and that we had to work with the Australian Government to do far more. I acknowledge not only his work, but the work of all members of those Health Committees, and, indeed, the general work that Select Committees do to expose problems that need action.

Mr. Robert Walter (North Dorset) (Con): I was a member of the Health Committee that spent two weeks in 1998 in Australia and New Zealand hearing the life histories of hundreds of former child migrants. I must say that those were two of the most harrowing weeks of my life just hearing their stories.

The Catholic Church in Australia, some 10 years ago, led the apologies from the receiving agencies, and a number of others have done likewise. The Australian Government issued their apology last year, but I remind the Prime Minister that the report we presented to the House on 30 July 1998 said to the British Government that

"an apology is in order".

The apology is therefore long overdue, but none the less, it is very welcome.

I should like to ask the Prime Minister a question. Sending agencies in this country were complicit in this trade in children. Has he had discussions with them that they should join him in this apology?

The Prime Minister: I am grateful for the work that the hon. Gentleman has done and for his visits to Australia, which have helped to make what is happening today possible. I assure him that the reason that the apology has been made now is that we wished to consult the child migrants themselves about the form that the apology should take and how we should go about making it. That is why many child migrants are here in Westminster today, and I and other leaders will speak with them shortly and pass on the apologies of the whole House about what happened in our country. I agree with the hon. Gentleman that people made many mistakes in the implementation of this policy and in its design. We have to be vigilant to ensure that nothing like this ever happens again.

Frank Dobson (Holborn and St. Pancras) (Lab): May I join in welcoming the Prime Minister's statement? There have been several calls for public apologies for past events, and this one has the merit of being made to people who are still around to hear the expressions of regret. I am sure that other members of the Health Committee will join me in paying particular tribute to David Hinchliffe, the former Member for Wakefield and former Chair of the Committee. He became almost obsessed by the grotesque injustice of these events and, at one point, persuaded me as Health Secretary to sign over some money to help to fund the Child Migrants Trust so that it was better able to go about its task. I welcome the Prime Minister finding extra funds for the trust and I pay tribute to Margaret Humphreys and others. This is one of the most shameful incidents in modern times in this country, and when people say that we do not have the standards of the past, they should remember the standards of the people who did this sort of thing.

The Prime Minister: I am grateful to my right hon. Friend. He has taken a huge interest in this subject, and I join him in paying tribute to David Hinchliffe. As a Member of Parliament he took this issue up with great vigour, and since ceasing to be a Member he has continued to push for the changes that we are announcing today. The accounts that I have read of what happened to many of the child migrants are very harrowing indeed, and it is a reminder to us that we have to be vigilant and determined to eradicate injustice, wherever it may be found.

Mr. Robert Syms (Poole) (Con): May I welcome the Prime Minister's statement and agree with the comments about David Hinchliffe? More than 10 years ago, I went to Australia and New Zealand and heard the migrants' stories. It was very harrowing and horrible. I also welcome

the additional money. The fact that we can now reunite some of the families will make some small amends for the troubles and difficulties that these children faced.

The Prime Minister: I am grateful to the hon. Gentleman.

Dr. Howard Stoate (Dartford) (Lab): I was one of the members of the Health Committee who visited Australia and New Zealand. I have been a GP for many years and I think that I have heard most stories, but never have I heard such harrowing tales of distress and loss as I heard from those brave migrants. I wish to place on record my tribute to those very, very brave people who were able to open their hearts to the Committee. We heard tales that I hope never to have to listen to again of abuse perpetrated by organisations whose job it was to protect children, but clearly failed to do so. I also wish to place on record my thanks to my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson). He was the first Secretary of State to take this situation seriously and, as he has already modestly said, to find money to allow some of these migrants to meet their families and pick up some of the threads that they had so cruelly taken away from them.

The Prime Minister: Both colleagues who have just spoken are right. These harrowing experiences about which we have read were the fate of so many children who should never have been sent from this country, who should have known about their true parents, and who should have had proper support and protection. We must never allow it to happen again.

Mark Pritchard (The Wrekin) (Con): In welcoming the Prime Minister's comments, may I encourage him not to forget a new generation of 65,000 children who reside in child care facilities in the UK, all of whom have huge potential that is so often unrealised? They all have God-given gifts and abilities that this nation needs. Can he reaffirm his commitment to the House to ensure that those children get the best support to realise their full potential?

The Prime Minister: I certainly can.

Mr. Parmjit Dhanda (Gloucester) (Lab): I welcome the Prime Minister's statement. The first time I came to know of this was a few years ago when I was a Minister and proposals were worked up by officials to reduce some of the funding for these child migrants. Thankfully, we saw that off. At one stage, I had to tell officials that I would resign rather than allow that to happen, so I welcome the extra funding pledged by the Prime Minister. Does he agree that, as long as any of these child migrants are still alive and with us, we must continue to fund and support them?

The Prime Minister: My hon. Friend is absolutely right, and I thank him for his personal efforts. Because we have failed in the duty of care for so many years, we have a particular duty of care to the child migrants.

John Hemming (Birmingham, Yardley) (LD): I, too, welcome the Prime Minister's statement. I must declare an interest as chair of the Justice for Families campaign, which resists injustices against families on the basis of the best interests of the child. The challenge always is that, when people say, "It's better for the child", it is quite difficult to question the injustice. Sadly, many things similar to the child migrant programme, albeit on a smaller scale, continue today, and families are emigrating from this country to escape the family courts. What confidence does the Prime Minister have that a Prime Minister in 20 years will not be making a similar, but smaller scale, apology?

The Prime Minister: I agree with the hon. Gentleman, and if he has any evidence of abuse that should be dealt with, he should bring it before us.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): The Prime Minister will have heard the remarks of my hon. Friend the Member for Gloucester (Mr. Dhanda), but even those of us who have not been deeply involved know that this has been a sorry and very sad saga. Will he ensure that the money, which is so appreciated, is found and willingly, usefully and generously disbursed to those who have had so much to bear over all these years?

The Prime Minister: My hon. Friend is absolutely right. We are disbursing the money as quickly as we can to those in the greatest need, and we are working directly with individual families to ensure that their needs are met.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): In order to appreciate the scale of the problem, can the Prime Minister give an indication of the number of children sent abroad, and does he have any idea of the number who might still be alive?

The Prime Minister: This information is being collected over time, so I think I should give a more updated report to the hon. Gentleman at a later date, rather than give him figures that might turn out not to be correct.

Judy Mallaber (Amber Valley) (Lab): My constituent, Pat Hewkin, who sadly died last year, lost her younger brother when she was six when child migrants were sent to Australia. I was honoured to be there when her brother came over for the first time and they were reconciled. I saw the joy, the sadness and the horror of their having to tell their stories, but it was absolutely wonderful to see how they were reconciled and able to meet each other—thanks to the work of the Child Migrants Trust and Margaret Humphreys. Pat was also able to go over and visit him in Australia. I hope, therefore, that the work of the Child Migrants Trust will continue to be supported because to see those families that were split asunder able to meet each other again was a very emotional thing to witness.

The Prime Minister: I am grateful for the work that my hon. Friend has done. Amid the tragedies of separation, we can see, in that particular family, the joy also of reconciliation, and we wish to make that possible for many more families.

Andrew Selous (South-West Bedfordshire) (Con): This was a very poignant statement for me, because, at the age of five—in 1967—I travelled to Australia for several months with my mother, who was an Australian citizen, to spend a very happy time with my grandparents. It is

[Andrew Selous]

truly shocking to think that, at the same time, this country was officially sending children against their will to Australia where they had such a grim time. May I say that sorry is often the hardest word and commend the Prime Minister and my right hon. Friend the Leader of the Opposition for what they have said today? It was the right thing.

The Prime Minister: The hon. Gentleman is absolutely right. We have got to be prepared to say that this was wrong and completely unjustifiable, and do what we can to repair at least some of the damage done.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): May I congratulate the Prime Minister on his apology today and congratulate the Child Migrants Trust? Many of these children not only lost their childhood and education, but worked as virtual slaves in Australia. Today's apology will be a small compensation for that terrible loss and experience. However, will my right hon. Friend guarantee that those surviving child migrants will not have to return cap in hand to the Government in a few years?

The Prime Minister: I hope that we will be able to continue the funding for as long as it is necessary to ensure that what reparation can be made, is made, and what damage can be reversed, is reversed. I know that we are dealing with the individual circumstances and stories of families now in very different positions, but we will do whatever we can to help individual families.

Dr. William McCrea (South Antrim) (DUP): I welcome the Prime Minister's statement and would like to associate my colleagues with it. It is a shameful part of our history, and we ought to make the apology with deep humility. Can he assure the House that the Government action of which he is speaking will extend to every part of the United Kingdom?

The Prime Minister: Yes, I can. I thank the hon. Gentleman, because every party in the House has now associated itself with the apology. I believe that I can now tell the child migrants when I meet them that it is the unanimous wish of the House both to apologise and to set up a new fund to help them.

Mark Durkan (Foyle) (SDLP): May I commend the Prime Minister's sincere apology and those from other party leaders in the House? They rang so poignantly with the very profound statement from Kevin Rudd last year. The Prime Minister will be aware that it was not just those children who were transported who suffered isolation, abuse and lies; many of their siblings left at home all too often experienced cruel care as well. Recently, many of them have come forward and had difficulty being received and believed. Their difficulty now is believing what they are being told: that there are no records available to settle their concerns, suspicions or beliefs that they have siblings in Australia and elsewhere. Will he ensure that this fund will help to unlock those difficulties that many of those people are now facing?

The Prime Minister: The fund is intended to help those families who were split up as a result of misguided decisions. Obviously, we shall look at what we can do to help reunite brothers and sisters or siblings, and at the same time ensure that they have proper provision for themselves in the future.

Sir Menzies Campbell (North-East Fife) (LD): Is it not clear, from what the Prime Minister has said, that one of the most reprehensible features of this policy was the systematic deception of children and their parents? Do we need any further indication of just how unreasonable this policy was other than the fact that it had to be cloaked in such deception?

The Prime Minister: First, the deception was unacceptable, but secondly the results of that deception were that parents thought that their children were in this country, when they were not, and children thought that their parents were dead, when they were alive. It is a most cruel deception for children to be made to believe that something that they should know about, or have the chance to know about, could never be told to them. When dates, birthdays and names are changed to conceal the truth, it is completely reprehensible, as the right hon. and learned Gentleman said in his eloquent way. We must make this apology, not just for that reason, but for the other reasons that I have cited.

Mid Staffordshire NHS Foundation Trust

12.58 pm

The Secretary of State for Health (Andy Burnham): With permission, Mr Speaker, I wish to make a statement on the report of the independent inquiry into the Mid Staffordshire NHS Foundation Trust, which I am publishing today. Copies have been placed in the Vote Office.

In July last year, I commissioned Robert Francis QC to conduct this inquiry. I asked him to establish what went wrong at Stafford hospital and why; what lessons can be learned; and what further action is needed to ensure the trust is delivering a sustainably good service to its local population. In particular, I asked his inquiry to focus on listening to patients and their families. I said at the time that the full impact of what happened at Stafford hospital would be understood—particularly in the NHS at local and national level—only when we heard clearly the voices and experiences of those most affected.

The Francis report fulfils all those aims. I wish to thank Robert Francis for his thorough report, and the painstaking way in which he has conducted this investigation. Over 900 pages and two volumes, his report lays bare a dysfunctional organisation at every level and appalling failures of basic care over the period between 2005 and March 2009. The report confirms the severity of the then Healthcare Commission's assessment of the trust in March 2009. In his covering letter to me with the report, Robert Francis says:

"The overwhelming number of accounts given by those affected should surely put to rest the views, still harboured by some, that the Healthcare Commission's report painted an unfair picture of how the Trust was performing. There can no longer be any excuse for denying the enormity of what has occurred."

Let me be clear: the care provided was totally unacceptable and a fundamental breach of the values of the NHS. Since March last year the Government's first priority has been to help the trust to take immediate steps to improve patient safety, care standards and public confidence. Last July a new chair and chief executive were appointed and, with a new board and senior team, they are making progress, as confirmed by the Care Quality Commission's three and six-month reviews. However, as their local hospital hits the news again today, I appreciate that doubts about safety will be in the minds of people in Stafford. In advance of this statement, I therefore asked the Care Quality Commission for its latest assessment of both the Mid Staffs trust and the wider NHS. I will place a copy of its letter in the Library. The Care Quality Commission confirms that the trust is safe to provide services, although further improvements are still needed, and says that it does not believe that there is any other hospital in England with problems on the scale or of the magnitude seen at Mid Staffs.

There have been many calls for a full public inquiry into events at the trust and the wider regulatory system. When I came into this job I gave those calls very careful consideration. In particular, I spoke to the four Members whose constituencies are served by the trust. It was clear to me that a further process of inquiry was needed to establish the full picture and to help the healing process. However, I had to balance that with not distracting the trust from the overriding need to make immediate improvements in patient care. It was that consideration which led me to establish the inquiry in the form that it has taken, rather than as a full public inquiry. I did not believe that a lengthy, adversarial inquiry would be in the best interests of health care in Staffordshire. The chairman was able to ask me for further powers if he felt they were needed, but he did not do so, and I believe that his report supports the approach that we have taken. He concludes:

"I am confident that many of the witnesses who have assisted the Inquiry by written or oral evidence would not have done so had the Inquiry been conducted in public."

More than 900 members of the public and 82 current and former members of staff contacted the inquiry directly or indirectly, and 113 witnesses gave oral evidence. That evidence revealed an organisation with a culture

"not conducive to providing good care for patients or a supportive working environment for staff".

The board did not consider patient complaints, clinical governance or quality at its meetings. Meetings were held in private, and Robert Francis describes the organisation as working in isolation from the wider NHS community and as having a closed culture. As he has said today, the board

"lost sight of its fundamental responsibility to provide safe care."

That dysfunctionality extended to the way targets were managed in the trust and the failure to put in place adequate staffing levels to provide safe patient care.

The management of the trust cut staffing to dangerously low levels, at one point leaving A and E with a third fewer nurses than were needed to provide safe care. A work force review in March 2008 disclosed that the trust needed to increase its nursing establishment by 120 whole-time equivalents. There was an intimidating and bullying management style. Among staff there were failures of professional standards and clinical leadership. Some staff were praised, but the report finds a "lack of compassion" and an "uncaring attitude" among others. Time and again throughout the report, there are unacceptable examples of poor care, neglect and disregard for patients' dignity. At times, as Robert Francis says, that could be described as rudeness, hostility or even abuse.

The trust has already taken disciplinary action to hold individuals to account. The trust and the professional regulatory bodies, the General Medical Council and the Nursing and Midwifery Council, are investigating a number of clinical staff potentially implicated by those events. Today I have written to the chairs of both bodies to ask them to consider the report in detail and work with the trust to determine whether further action is needed against any individuals. I have asked for their response by 12 March.

In total, Robert Francis makes 18 recommendations. Together with the new board of the trust, the Government accept all the recommendations in full. I will take the four recommendations that apply to my Department in turn.

First, Robert Francis recommends that I consider steps to improve accountability among executive and non-executive directors of trusts. The board that presided over the failings at Mid Staffs has been replaced, and other managerial staff have been suspended. However, it is a long-standing anomaly in the NHS that the robust professional regulatory system for clinicians is

[Andy Burnham]

not matched by a similar scheme for managers and non-executive directors. We must end the situation where a senior NHS manager who has failed in one job can simply move to another elsewhere. That is not acceptable to the public and not conducive to promoting accountability and high professional standards, so today I am announcing that I will consult on a new system of professional accreditation for senior NHS managers.

Secondly, Robert Francis asks me to consider asking Monitor to de-authorise Mid Staffs as a foundation trust. The report makes it clear that Mid Staffordshire has not been deserving of the foundation trust status that it has held for the past two years. At the same time as setting up the inquiry, I proposed to create a new power for Monitor to de-authorise foundation trusts, to make it clear that this status has to be continually earned and is not a one-way ticket. That provision was subsequently endorsed by this House. I can tell the House today that I accept Robert Francis's recommendation to consider asking Monitor to de-authorise Mid Staffs. My strong view, in the light of the report and the support that the trust is likely to need in the medium and long term, is that I will ask Monitor to consider de-authorising when the powers come into effect in the coming months. I will therefore ask the CQC, Monitor and others to give me their views of the trust's long-term clinical and financial prospects, and I will consider initiating the process in the light of their responses.

Thirdly, Robert Francis asks me to review how comparative mortality statistics are compiled, as well as the methodologies that underpin them, to improve public confidence in and understanding of them. One of the principal reasons why the Healthcare Commission launched its review in 2008 was that it was not satisfied with the trust's explanation of its high hospital standardised mortality ratio. The inquiry has consulted a range of experts on the issue, and Robert Francis concludes:

"it is in my view misleading and a potential misuse of the figures to extrapolate from them a conclusion that any particular number or range of numbers of deaths were caused or contributed to by inadequate care".

However, as he points out, there is no shared methodology for HSMRs, nor any clear account of how they should be used and interpreted. The result is confusion for patients and the public. I therefore welcome and accept the recommendation to establish an independent working group to examine and report on the methodologies in use. The NHS medical director, Professor Sir Bruce Keogh, has already established that group, which includes the key parties involved in developing and using HSMRs, as well as leading academics and others. The group has committed to developing a single HSMR for the NHS.

Fourthly, the report calls for a further independent examination of all the commissioning, supervisory and regulatory bodies, in relation to their monitoring role at Stafford, with the objective of learning lessons about how failing hospitals are identified. I accept that recommendation, and can tell the House that Robert Francis has agreed to chair the further inquiry. We are publishing draft terms of reference today, and we welcome views on them.

In addition to accepting all the report's recommendations, there are further steps that I will now take to learn the lessons of this and prevent a repeat. First, let me make clear today to all foundation trust boards my strong presumption that their meetings should be held in public and that governors should have access to all papers in the trust. The decision of the board at Mid Staffs to hold more meetings in private on achieving FT status is a direct contradiction of what this House intended when it passed the original foundation trust legislation.

Secondly, I am today accepting the National Quality Board's recommendations to improve early warning systems in the NHS, and I am publishing its report today. Thirdly, a group has been established to advise me on updating whistleblowing guidance. Statutory protection for whistleblowers is enshrined in the NHS constitution, but events at Stafford hospital reveal the need to ensure that staff feel able to exercise that right.

Fourthly, I want to see a much greater focus in the NHS on measuring patient satisfaction and staff satisfaction—key indicators of good quality care. In December, I announced that a growing proportion of a hospital's income will be linked to patient satisfaction, rising to 10 per cent. of its payments over time. Fifthly, I brought forward the new system of provider registration in the NHS to ensure essential levels of safety and quality. The CQC has already announced today its intention to register Mid Staffs, although it will place conditions where further improvement is needed.

In conclusion, the Francis report delivers a damning verdict on a dysfunctional organisation. It was principally a local failure, but I accept that there are national lessons to be learned—and they will be. Last year, the Prime Minister apologised to the people of Staffordshire. On behalf of the Government and the NHS, I repeat that apology again today. They were badly let down. I pay tribute to the people who had the courage to come forward and tell their stories and to expose the failures of the past, in order that they could protect others in the future. Robert Francis said that many of the patients who gave evidence to the inquiry

"were motivated because they do care about the hospital, and demonstrated by their actions that they can be a part of mending the fractured confidence."

That sentiment is shared by all those who came forward, and indeed by the majority of people who complain about the NHS. They do so because they want it to be better. I want their voices to be heard loudly and clearly in this trust, and across the NHS.

Today, Sir David Nicholson has written to every NHS chief executive and chair, urging them to read this report and to review their standards, governance and performance in the light of it. When the NHS fails—as it did the people of Staffordshire—it is right to confront it with its failings. At times, there is a tendency in the NHS to push complaints away. I believe very strongly that it is only by facing up to failure—and by holding a mirror up to the NHS—that we can ensure that it is a learning organisation and prevent any repeat.

Since events at Stafford, Lord Darzi's next stage review has established a major drive to build an NHS that places a relentless focus on quality. For the vast majority of patients, the NHS provides a good standard of care. The CQC's latest patient survey showed that 93 per cent. of patients rated their overall care as good or excellent. When things go wrong, however, we must face up to them and do everything in our power to ensure that such events can never happen again. I commend this statement to the House.

Mr. Andrew Lansley (South Cambridgeshire) (Con): I am grateful to the Secretary of State for making an oral statement today, and for giving me advance sight of it. I want, once again, to express our deepest sympathies to the patients who suffered and to the relatives who saw them suffer. My right hon. Friend the Member for Witney (Mr. Cameron) and I have had occasion to talk to those relatives in Stafford, and the stories of their experiences were harrowing. Today's report, the second volume in particular, sets out the most compelling—indeed, horrific—character of many of the sufferings of the patients and their relatives.

I pay tribute to the work of Julie Bailey and Cure the NHS, and to their determination and persistence in holding the hospital trust and the Government to account for their failures in relation to this hospital, and in securing this further investigation. The Secretary of State will recall that, when the Healthcare Commission published its first report, his predecessor instituted an internal Department of Health inquiry under Dr. Colin-Thomé and another under Professor Sir George Alberti. We told the Government then that that would not meet the need of the people of Stafford for a clear investigation in public into what had happened. When the Secretary of State announced this inquiry by Robert Francis, we told him again that it would not achieve that aim. This is the fourth report, and none of them has diminished the need for a public inquiry under the Inquiries Act 2005, in which evidence can be taken in public and under oath. We can combat a culture of secrecy and bullying only by ensuring the fullest openness and transparency in any investigation.

The whole House will, none the less, be grateful to Robert Francis for fulfilling his brief in a thorough and objective manner. We find no fault with his work, but we do object to Ministers setting up report after report with constrained terms of reference that are designed more to focus on local management than to get to the full truth and the full context of the tragedy at Stafford hospital by analysing in addition the failure of national and regional scrutiny and of NHS performance management.

In my evidence to Robert Francis, I urged him to recommend a further investigation into the role of the external monitoring and performance management agencies, and I am glad that he has taken this advice and made that recommendation today. Such a further investigation is essential, because many of the serious questions that we and the relatives of those who died have been asking the Government for the past year remain unanswered.

Why did the primary care trust fail to ensure that standards were up to scratch when it commissioned services from the hospital? Why did the strategic health authority, which was charged with performance management of the hospital when it was an NHS trust, fail so abjectly in that task? Why did the Department of Health simply wave through the foundation trust application at the very time that clinical standards were so poor? Why did it take so long for the scrutiny by the inspectorate to establish that the high mortality rates were occurring, and to undertake an investigation into them? What are the problems with national policy and decision making on patient and public involvement that resulted in people failing to listen to patients raising their concerns in Stafford? And what are the problems with the whistleblowing procedures and practices in the national health service that prevented or inhibited front-line staff from speaking out about poor standards of care?

The Francis report provides a powerful analysis of the impact of the Government's top-down targets on patient care at Stafford hospital. When the scandal was laid bare by the Healthcare Commission last March, the then Minister of State, the right hon. Member for Exeter (Mr. Bradshaw), said that

"this was not a problem about targets".

However, the Francis report—on page 165—states:

"This evidence satisfies me that there was an atmosphere in which front-line staff and managers were led to believe that if the targets were not met they would be in danger of losing their jobs. There was an atmosphere which led to decisions being made under pressure about patients, decisions that had nothing to do with patient welfare. As will be seen, the pressure to meet the waiting target was sometimes detrimental to good care in A&E."

Will the Secretary of State now acknowledge that Ministers were wrong to deny that targets were part of the problem at Stafford, and that they are wrong now to maintain that they are not the issue? Will he therefore move to abolish top-down political targets, so that the NHS can focus on patient safety and quality of care as an absolute priority?

In this Parliament alone, I have had to stand at this Dispatch Box on four occasions to respond to issues of failing hospitals: Stoke Mandeville in 2006; Maidstone in 2007; Mid Staffordshire last March, and again today; and Basildon and Thurrock in December. Each time, Ministers have insisted that these are isolated cases and blamed local management principally, but the themes have become too frequent and too familiar for this simply to be a coincidence: waiting time targets prioritised over patient care; clinical priorities distorted by Government targets; a focus on financial issues at the expense of patient care; senior management at board and strategic health authority level putting targets and policy processes ahead of a focus on quality care for patients; primary care trusts focused on cost and volume, and not on quality; and front-line staff finding their attempts to voice concerns going unheard or, even worse, suppressed. That is not good enough. We cannot go on like this.

We must be committed to establishing a full public inquiry into the tragedy at Mid Staffs. It must be an inquiry with a remit broad enough to ensure that no stone remains unturned and no lesson is overlooked. That would restore confidence among the public in and around Stafford. We will learn the lessons across the NHS, and we must do so up to and including the Department of Health. Action must be taken on the results.

For our part, we would abolish top-down political targets and the pointless bureaucracy that surrounds them. Instead, we would focus relentlessly on the results for patients. We will make patient experience and outcomes central to accountability. We will ensure that the quality imperative drives NHS services so that when complaints are made, the inspectorate receives, understands and acts on them. We will make quality and safety the central drivers of NHS performance and we will see through the changes in leadership, strategy and reform in the NHS that will give the public the confidence that when they go to hospital, they are there to be cared for and to be treated—and never to be harmed.

Several hon. Members *rose*—

Mr. Speaker: Order. This is an extremely important and sensitive matter. Nevertheless, both the Secretary of State's statement and the initial response from the shadow Secretary of State have exceeded the time allowed for such exchanges, so I would ask the Secretary of State to provide economical replies and for others to take note in order that we can all make some progress.

Andy Burnham: Thank you, Mr. Speaker. The shadow Health Secretary began by extending his deepest sympathies to the patients and families affected, and I am sure that that will be echoed across the whole House and across the country. Today is another difficult day for those people, but we hope that this report will allow their voices to be heard at least more clearly than they have been hitherto.

The hon. Gentleman paid tribute to the work of Cure the NHS, which campaigned to have the events at Stafford hospital thoroughly investigated, and I believe that the report published today meets that requirement for a thorough investigation into those events. He asked whether the initial inquiries were internal to the Department of Health and he called for an independent inquiry, but that is the inquiry that I commissioned. As I said in my statement, when I came to this Department, I believed that a further process of independent inquiry was necessary. I commissioned it; I set it up; and I will deal with what it tells me today.

I do not think it is possible to read the Francis report and conclude that it does not tell the full truth or reveal the whole picture of what happened at the hospital. We now move forward from the inquiry to consider the actions of the regulatory and supervisory bodies. I have made it clear to Robert Francis that, should he need further powers to conduct that part of his work, he can come back to me and I will consider the request.

I draw the shadow Health Secretary's attention to the draft terms of reference issued today, which state:

"The Government's presumption is that the inquiry will be held in public, but this decision is a matter for the Chair."

I would welcome the hon. Gentleman's comments on those draft terms of reference, but I believe that they meet the tests that he put before us a few moments ago.

The hon. Gentleman also asked about the PCT, the SHA and the Department of Health. He is quite right to do so: he is quite right to ask questions about those bodies, their role in what happened and why things were not spotted sooner. That is precisely why we are setting up the second stage of the inquiry—so that those searching questions can be asked of those organisations.

The hon. Gentleman asked me about targets, suggesting that they were the problem. Let me quote the Francis report:

"As will be seen, the pressure to meet the waiting target was sometimes detrimental to good care in the organisation. This is inconsistent with the guidance about targets published by the Department of Health. It is vital that this target must not in any way jeopardise the quality of care offered to patients."

If the hon. Gentleman reads the Francis report in full, as I am sure he will, he will see that the failure of the trust was the implementation of targets within it, and, indeed, the failure to provide adequate staffing levels on the wards to ensure that care could be delivered safely and meet the standards that other trusts around the country are able to meet. That is the conclusion I draw from the inquiry.

The hon. Gentleman asked what steps we can take to ensure that this does not happen elsewhere in the NHS. With an organisation on the scale of the NHS, I am sure that he and I would accept that things will go wrong and problems will occur. The right thing to do is to face up to them and take action to prevent them from happening again. In this particular case, I believe that we have faced up to the enormity of what happened at the Mid Staffordshire NHS Foundation Trust. It has been laid bare today in a very detailed report of more than 900 pages. I can assure the hon. Gentleman that I take my responsibility to act on the report's findings with great seriousness. That is precisely what I will do.

Norman Lamb (North Norfolk) (LD): I thank the Secretary of State for early sight of his statement. This is an utterly shocking scandal, which is a stain on the good name of the NHS. It demonstrates again horrifying evidence of patient neglect, which should never feature in the national health service. I welcome the recognition in the statement that there are national lessons to be learned, but the focus of the inquiry was none the less on this particular trust.

It seems to me that the inquiry was not designed to ensure that the full wider lessons could be learned. It was not designed to hold anyone to account, which it specifically says, as the terms of reference did not permit investigation into the role of any of the external agencies. It was also held in private. The inquiry was not able to consider the reports of any of the individual cases through a separate process because they were not ready in time. The report itself confirms that disappointing numbers of staff came forward to give evidence. That is not good enough. It is not the fault of the inquiry, but the fault of the process created by the Government. The bottom line is that the report will not satisfy the families of those who lost their lives and it will not bring an end to demands for a full public inquiry. I also pay tribute to the work of Julie Bailey and the organisation Cure the NHS.

Do not the findings reinforce the need to learn wider lessons about the causes of the failures that took place in the hospital: the focus on process at the expense of outcomes; the failure to listen to those who receive care; staff disengaged from the process of management; insufficient attention to the maintenance of professional standards; a weak professional voice in management decisions; abuse of vulnerable elderly people; and a lack of transparency? The key point is that none of those findings can be said to be unique to this particular trust. The hon. Member for South Cambridgeshire (Mr. Lansley) highlighted other failing hospitals that the House has debated.

There is surely a need for a full public inquiry, and it should surely first consider the pay-off to the chief executive and the fact that people are too often rewarded for failure. This chief executive received £400,000. I have a copy of the private investigation into his actions. Surely it should be published in full—it is heavily redacted, which amounts to a cover-up of the full findings of the investigation. It points to a case for disciplinary action, yet there was a very substantial pay-off to this chief executive.

A public inquiry should also look at the role of targets. The statement rightly said that blaming targets in their entirety would let management off the hook.

but not looking at targets lets the Government off the hook, given that targets played a part in the failures of this hospital.

It is also essential to look fully at the role of regulation. I am pleased that there will be a further inquiry into that, but it should surely be held in public and should look at the complex web of regulation that we have created. The fact that we have five different national organisations with some responsibility for patient safety has resulted in no one taking proper responsibility for it. In Basildon, for example, there were 21 visits by seven different organisations in the year before the final report emerged. We need to look at the devastating report into the role and failure of regulation that was commissioned by the NHS Confederation last summer. It showed that we have ended up with paper safety rather than real patient safety and a tick-box culture.

A public inquiry should also look at the process for securing foundation trust status, which provided a false reassurance to people that the hospital was performing to a high standard. Finally, do we not owe it to the families of those who have lost their lives to have a full examination in public of the wider lessons that need to be learned from this scandal?

Andy Burnham: I agree with the hon. Gentleman that this is a shocking report that damages the name of the national health service. He asked why the report did not allow consideration of wider national issues, but he will have seen that the report does comment on national lessons to be learned. There were four recommendations in the report, which I spelled out in my statement, and I responded to those points. I did agree with the chairman that he could comment on what he wanted to comment on. However, we wanted the inquiry to focus primarily on the trust and the voices of the patients affected by the terrible events in the trust, so that we could get to the bottom of the failings and allow the trust to move on—which is, I believe, what we must do.

I wanted to get to the bottom of events as quickly as I practically could. I was also anxious that the trust should not be debilitated by a protracted inquiry that would divert it from its main job. I believe that we have got to the bottom of what happened locally; I now want the trust to move forward, and I believe that it is moving forward under the leadership of the new chair and chief executive. However, I accept Robert Francis's recommendation that we look more closely at the bodies that have a supervisory, regulatory and commissioning role in relation to Mid Staffordshire NHS Foundation Trust. As the hon. Gentleman will know, we have already embarked on that task. David Colin-Thomé has done some work in examining the role of the primary care trust, but we must now put that work on a proper footing—knowing what we know from the first inquiry—so that we can learn the lessons at a national level, and I can assure the hon. Gentleman today that that is what we will do.

The hon. Gentleman said that the failings were not unique to this particular trust, and rightly observed that what went wrong in this instance was caused by a focus on process rather than on people. The words "focus on process" were used by Robert Francis, and they are at the heart of what went wrong. There was a failure to understand and respond to the public about what matters, and to see each patient as an individual deserving of the very highest standard of care—the care that we would all want our own families to receive.

The hon. Gentleman was right to say that the failings described in the report are not unique to the Mid Staffordshire NHS Foundation Trust, but it must also be said that the scale on which they occurred make the events in that trust unique. I sought an assurance from the Care Quality Commission that no other NHS trust exhibits problems on the scale of those found at Mid Staffordshire, and it gave me that assurance today, but let me also assure the hon. Gentleman that we remain constantly vigilant, and will ensure that every possible action is taken to deal with poor performance and poor quality in the NHS.

The hon. Gentleman asked about the Garland report on the former chief executive of the trust. I understand that he did not receive £400,000, but received his notice period and no more than his contractual entitlement.

The hon. Gentleman also asked about targets. The suggestion is that targets are there to distract people in the NHS from patient care, but they are essentially about the basic minimum that every person who arrives at the door of the NHS should be able to expect. They are fundamentally about people and the quality of care that should be given to every single person, regardless of their background or what they bring to the door of the NHS. In this case, the trust grotesquely failed to manage the pressure involved in delivering that basic standard of care to every person who arrives at the door of the NHS, which is what so many other trusts throughout the country manage to do.

Let me remind the hon. Gentleman what happened before there were targets for accident and emergency departments. The previous Government, in fact, suggested a four-hour target because there was chaos in A and E departments in the early and mid-1990s, and the present Government retained that target because basic minimum standards must be available to every patient who arrives at the door of an accident and emergency department.

The hon. Gentleman asked for a proper safety structure rather than "paper safety". I can tell him that I take my responsibilities in respect of the new registration process extremely seriously. He will know that I have expedited the introduction of that system, which I believe directly responds to the concern that he has expressed.

Finally, the hon. Gentleman asked for a full inquiry into all these events. I believe that the second inquiry that I am setting up today will meet his demands. I invite him to comment on the draft terms of reference, and if he believes that they can be strengthened, I shall listen to his comments.

What the hon. Gentleman has asked for, I will carry through. We will ensure that there is no repetition of these events in the national health service.

Mr. Kevin Barron (Rother Valley) (Lab): I must tell my right hon. Friend that I am not surprised by the contents of the report—although I have not read it yet—in view of the evidence taken a few months ago by the Select Committee on Health about patient safety, part of which concerned the Mid Staffordshire NHS Foundation Trust. When we debate the subject in Westminster Hall next month, it will be possible to flesh out these matters a little further.

[Mr. Kevin Barron]

My right hon. Friend said that more groups were being formed to examine a number of issues, including whistleblowing. May I ask him to look again at the recommendations in the Health Committee's report on patient safety? We suggested that there should be a system of whistleblowing like the one in New Zealand, which seems to be far more efficient and provide people with far more access. As my right hon. Friend pointed out in his statement, people in the NHS do not feel that they are able to blow whistles in an appropriate manner, even when there are horror stories such as those about what was happening to patients in Stafford hospital.

Andy Burnham: The Chair of the Health Committee has made a fundamentally important point, and he is right to press me on this issue. I believe that at times there is a failure at local level in the NHS to exercise the openness and transparency for which the House of Commons regularly calls.

I recall the debates on the foundation trust legislation. At the heart of that proposal was the replacement of national accountability with a greater degree of local accountability. It is impossible to say that that fundamental founding vision of what it meant to be a foundation trust was fulfilled in the Mid Staffordshire trust, and the issue of whistleblowing is an important aspect of that.

I do not believe that there is any Member in any part of the House who does not believe in the principle of whistleblowing. I do not believe that any of us would tolerate in our constituencies circumstances in which staff did not feel that they could come forward. We would want any member of the NHS to feel able and free to bring to our surgeries concerns about the trust in which he or she works. I believe that that goes for every Member of this House: no one who does this job wants to push away problems rather than addressing them directly.

We have put that requirement in the NHS constitution, and I repeat it today on the Floor of the House. We fundamentally uphold the right of NHS staff to raise concerns, and if their local trust does not have a culture that supports that, the position must be changed.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. These are extremely important matters. Let me repeat Mr. Speaker's earlier remarks. If I am to call every Member who wishes to ask a question, I must urge Members to ask brief questions and the Secretary of State —please—to give one brief answer.

Mr. William Cash (Stone) (Con): As the Secretary of State knows, from day one I have called for a full public inquiry under the Inquiries Act 2005, and I am glad that that request has been reiterated from my party's Front Bench today. Does the Secretary of State accept that many people feel that they did not obtain full justice from the report? The inquiry was held in private; furthermore, the very fact that the Secretary of State has arranged a further report from the same QC indicates that there should have been a full public inquiry in the first place.

Does the Secretary of State agree that the self-assessment question—the issue of the emphasis placed by the people in the regulatory system on targets and money-driven rather than patient-focused care—is the key question that must be looked into in relation to Stafford, and that in order to get that right—

Mr. Deputy Speaker: Order. I think that the hon. Gentleman has had his money's worth.

Andy Burnham: And he deserves to do so, Mr. Deputy Speaker. I am grateful to him for the role that he has played in bringing his concerns to me and to the Minister of State, and for the discussions that we have had.

The hon. Gentleman asked about "full justice". As the Prime Minister said earlier, individuals can make their complaints directly through a process of investigation. As for the fundamental question of whether it was right to hold a private inquiry, I have two points to make. I have to balance the need to ensure that the hon. Gentleman's local trust takes immediate steps to improve the quality of care that it provides for his constituents. I see that as my fundamental duty: above all else, I must help people today in the quality of care they receive. I accept that others may not agree, but it was my judgment that an inquiry of this nature was more likely to get to the bottom of the issues more quickly, so that the trust could focus on the job of improving patient care. I also refer the hon. Gentleman to Robert Francis's comment that he believed he received more from the public and staff because of the nature of this inquiry. The same level of privacy is clearly not justified in a national inquiry, however, which is why I say in the terms of reference that the presumption is that it should be conducted in public.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): First, may I congratulate Cure the NHS on its work? I am delighted that the Secretary of State is determined to learn the lessons from Stafford so that the whole NHS can benefit. It is absolutely right that hospital trust boards must always meet in public. It is also right that the Mid Staffordshire NHS Foundation Trust should be de-authorised, but will the Secretary of State ensure that hospital managers do not profit from their failures and that other hospitals looking to apply for trust status, such as the University hospital of North Staffordshire, do not make the same mistakes as Stafford by putting financial issues and staffing levels before patient safety?

Andy Burnham: May I echo my hon. Friend's comments about Cure the NHS? Although this process is, of course, very difficult for all those affected at the local level, I can say without fear of contradiction today that the actions that it has taken are now leading to changes in the national health service that will prevent a repeat situation from arising either locally or elsewhere. A number of changes that will benefit patients everywhere have already been made.

I had to reread the passage in the report that stated that on receiving foundation trust status, the trust began holding more meetings in private, because that beggars belief. As anybody who debated the FT legislation knows, that fundamentally contradicts the vision for foundation trust status. I repeat to all foundation trusts today that we expect meetings to be held in public wherever possible. I also very much hear what my hon. Friend says about the importance of not jeopardising the quality of patient care. Patient safety is the paramount and overriding priority of every NHS hospital, and of every NHS organisation. Everything else comes second to that.

Sir Patrick Cormack (South Staffordshire) (Con): In thanking the Secretary of State and the Minister of State, the right hon. and learned Member for North Warwickshire (Mr. O'Brien), for their unfailing courtesy in keeping Staffordshire Members informed, may I ask the Secretary of State to insist that the inquiry he has announced today be held in public, and to reflect upon the words of a widow who came to see me after having lost her husband, probably unnecessarily: what is crucial is that confidence and trust in the trust must be restored now, so that the area and the people the trust serves can look upon it with confidence and trust?

Andy Burnham: I thank the hon. Gentleman again for the manner in which he has helped us address these issues; his courtesy is always appreciated. I entirely agree that confidence is the key issue. This is another difficult day for the hospital, but I believe that from today the trust can begin to move forward, because we have now inquired fully and in depth at the local level. I believe the trust is making progress under Antony Sumara and Sir Stephen Moss; that is reflected in the report and in the reports that I hear locally from Stafford, and we need to do everything we possibly can to support them. There are 140 extra staff at the trust, and it has received about £4.5 million from the West Midlands strategic health authority. Support is going into the trust, therefore. We are considering whether we should initiate a process of de-authorisation, but we would only do so because we may be able to get more support more quickly to the trust, in order to build the confidence that the hon. Gentleman rightly calls for.

Dr. Tony Wright (Cannock Chase) (Lab): Even after four inquiries, it is still impossible not to be shocked by the record of failure of care in this case. We now know, beyond peradventure, what happened, and I think we know why it happened. What we do not yet know enough about is how it could have been allowed to happen. That is why there is a valid case for a fifth inquiry, into the regulatory structure, and I am glad the Secretary of State has announced that today. May I make one further point? There is one group of people who bear no responsibility for what happened: the patients. If we have one overriding obligation now, it is to make sure both that that hospital, which has failed them, pays for the errors of the past by being supported by the national health service, and that patient care in that hospital is as safe and effective as possible.

Andy Burnham: I entirely agree. My hon. Friend is right that there have been earlier inquiries, and I commissioned this extra report in order to hear loud and clear the voices of his constituents and those of other hon. Members who have spoken, and of my hon. Friend the Member for Stafford (Mr. Kidney), the Under-Secretary of State for Energy and Climate Change. The report is a thoroughly depressing read. When we hear and read stories of how patients were treated—and of patients doing their all to help staff, such as by taking the linen home to wash it—we know that there has been a basic failure of care for the constituents of my hon. Friend and of other Members, and there must be the most thorough investigation of that at local and national level. That is what I believe I am delivering to my hon. Friend and other colleagues in this House, and to their constituents. In the Francis report today, I believe we have the most thorough local investigation, and that will be followed by the second-stage inquiry, conducted in public wherever possible, so that we can get absolutely to the bottom of these issues, and people can finally feel that the issues they have raised have been fully investigated.

Dr. Richard Taylor (Wyre Forest) (Ind): As a member of the medical profession, I was staggered and saddened by the low profile and lack of effectiveness of staff whistleblowers in Stafford. I therefore welcome the Secretary of State's promise to update whistleblowers guidance. The Public Interest Disclosure Act 1998 and the work of Public Concern at Work need far more publicity. Does the Secretary of State agree that we still need to consider extra measures to support whistleblowers, who are still terrified of going through the normal channels? That is the whole point of my private Member's Bill.

Andy Burnham: May I say to my hon. Friend that my door is open to him to talk about his Bill and how we can deliver what we both want, which is to improve the culture in the NHS so that whistleblowers can come forward without fear of repercussions and recriminations? I cannot say today that that culture exists in all parts of the NHS, but I can say unequivocally that that is the culture I want to see in every corner of our national health service. If he is willing to work with me towards achieving that, I am sure that we have a completely common purpose.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): May I put a very simple point to my right hon. Friend? What clearly stands out from all this wealth of erudite and important words that we have heard in this House and everywhere else is that the hospital was terribly understaffed. If a company or any other organisation were so seriously understaffed, it would never get anywhere. I therefore have a suggestion. It involves one piece of paper, and I ask him not to resist it on that ground. In fact, such a piece of paper might already exist but have insufficient prominence. If we had one piece of paper on which hospitals had to list current staffing levels against the agreed requirement in the critical matter of doctors and nurses, we would all know whether or not there were sufficient staff to do the job. If such a piece of paper had been available, we could have avoided this whole situation.

Andy Burnham: I agree with my hon. Friend that that is, in many ways, the main message that comes out of the report. I was shocked to read that the work force review of March 2008 found a shortage of 120 whole-time equivalents, as well as one consultant in A and E when there should have been four, and 37 nurses when there should have been 55. Herein lie many of the problems the trust faced. It simply had an inadequate work force to deal with what needed to be done on a daily basis. That led to intolerable pressure on the wards, which in turn led to unacceptable treatment of patients. It is absolutely clear to me that this is unacceptable. That is one of the main messages that comes out of the report—and indeed, Robert Francis describes the trust as chronically understaffed.

Mr. Peter Bone (Wellingborough) (Con): The Secretary of State has said that one of his priorities is an early-warning system to ensure that what happened at Mid Staffs is not repeated elsewhere. The Dr Foster report identified

[Mr. Peter Bone]

seven hospitals with consistently high mortality rates. Is the Secretary of State going to order an investigation into those hospitals to make sure that their management is not leading to a possible repeat of what occurred at Mid Staffs?

Andy Burnham: The hon. Gentleman will know that action has been taken in respect of Basildon and Thurrock University Hospitals NHS Foundation Trust. He may not be aware that further steps are being taken against Tameside Hospital NHS Foundation Trust in Greater Manchester. Where action needs to be taken in order to intervene, we are taking that action. I should repeat to him the view of the Care Quality Commission, which is that there is no evidence to suggest that problems of this magnitude are replicated elsewhere in the NHS. I also say to him that I am not complacent on these issues: how could one ever be? Since what happened in Bristol, we can say with some confidence that we have, with the support of those on the Opposition Benches, begun a process whereby we are shining a spotlight on data in the NHS that in times past simply were not available. A wealth of data are now available to inform the public about standards at any particular trust. Many of the data are available on the NHS Choices website, but they can be improved so as to build a better understanding and appreciation of the picture at any trust. The hospital standardised mortality ratio—the HSMR—is not, in and of itself, a verdict on a trust; it is a trigger in respect of whether further action is required. As we have said today, we need further understanding of that target and an improvement of its methodology so that it is clearly understood across the NHS.

Frank Dobson (Holborn and St. Pancras) (Lab): I welcome the Secretary of State's commitment to hold a further inquiry into the regulatory bodies, in particular Monitor. He is talking about asking Monitor to de-designate the trust as a foundation trust, but a more fundamental question is how the hell Monitor ever came to designate it as a foundation trust in the first place, in the middle of this scandal. That was a lamentable performance by Monitor, which was supposed to look into all aspects of the situation and then make a recommendation to the Secretary of State. It seems that he can legitimately say that Monitor is not doing its job at all, and that some of the people at the top of Monitor ought to be leaving, under his new dispensation.

Andy Burnham: I thank my right hon. Friend for his question, and his welcome for the second stage inquiry under Robert Francis. The questions that he has just put before the House will be very much at the centre of that second stage investigation. The problem may have been that undue prominence was given to financial matters, rather than quality of care, when the foundation trust application was being considered. I say that without having had the further inquiry conducted, but those are precisely the matters that it will examine. I am grateful that my right hon. Friend supports the step that we are taking by carrying it out.

Mrs. Theresa Villiers (Chipping Barnet) (Con): If the Secretary of State cares about patients, will he ask NHS London to think again about its deeply misguided plans for reconfiguring health care services in north London?

Andy Burnham: I do care about patient safety, and I say again that it is the overriding concern for every NHS organisation in the country, including NHS London. However, I would ask the hon. Lady to open her mind to the possibility that at times changes to hospital services are necessary to enhance standards of patient safety. The National Audit Office recently pushed Ministers on the reform of major trauma services, which implies a reconfiguration of hospital services. The lesson in the Mid Staffs case is that the trust was acting in isolation without sufficiently well developed clinical networks in its surrounding community. I say to the hon. Lady that sometimes patient safety may be enhanced, rather than diminished, by the reorganisation of services.

Mr. Gordon Prentice (Pendle) (Lab): May I return to the issue of HSMRs, which the Minister mentioned in his statement? He told us that there is no "clear account of how they should be used and interpreted. The result is confusion for patients and the public". He will know that people in east Lancashire are routinely told that the reconfiguration allegedly saved 200 lives. We know that academics and clinicians are reworking the methodology, but when will we get the results of that study, so that it can be applied across the NHS as a whole?

Andy Burnham: That is a very important piece of work, which is why I said in my statement that Professor Sir Bruce Keogh is already making progress on it. However, it is very important for the voices of the royal colleges, other professional bodies, and organisations across the health care world to be listened to in that work. When it is produced it will succeed only if it has support from, and is owned by, all those bodies. We will do this as quickly as we can, but in producing an HSMR measure in which the whole system has confidence we might need to take time to ensure that we carry out those discussions with all those concerned.

Mr. Brian Binley (Northampton, South) (Con): May I pursue the question put to the Minister by my hon. Friend the Member for Wellingborough (Mr. Bone) by asking him specifically about Kettering General Hospital NHS Foundation Trust, which was one of the seven on the list? Many people in Northamptonshire are unnerved by the possibilities that might arise from the situation in Kettering. I wonder whether the Minister will reassure them by saying what specific action he has taken with regard to that trust?

Andy Burnham: I would ask the hon. Gentleman to refer his constituents to the statement made by the Care Quality Commission today. I will place its letter, which gives assurances about the NHS as a whole, in the Library. I should say to him that there is a need for constant vigilance on safety standards in the NHS. The HSMRs are not, of themselves, evidence of failure—but they can provide a trigger for inquiry into whether standards are sufficiently high at any one hospital. I encourage him to continue to ask questions and to work with his local trust to ensure that standards are sufficiently robust at his local trust; that is exactly what I do with my local hospital. However, we need a better measurement of mortality ratios so that we can all be clear about, and have confidence in, what they tell us about our local hospitals.

Point of Order

1.57 pm

Mr. Stephen O'Brien (Eddisbury) (Con): On a point of order, Mr. Deputy Speaker. I ask this while the Secretary of State is in his place, and with malnourishment being one of the many serious issues that arose at Mid Staffs. You will recall, Mr. Deputy Speaker, the answer given to me on 2 February 2010, at column 236W of *Hansard*, saying that the nutrition action plan, which the Government have been sitting on since as far back as last July, would be published "in February 2010." If that is to happen with a statement made to the House, it would need to happen tomorrow. Have you been given any indication that there will be an oral statement on that subject tomorrow?

Andy Burnham *rose—*

Mr. Deputy Speaker (Sir Michael Lord): I have no knowledge of the point that the hon. Gentleman makes, but I understand that the Secretary of State is anxious to say something.

Andy Burnham: Briefly, Mr. Deputy Speaker, tomorrow is dignity action day, and we will publish the nutrition action plan report tomorrow.

Public Bodies (Procurement of Seafood)

Motion for leave to bring in a Bill (Standing Order No. 23)

1.58 pm

Mr. David Drew (Stroud) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to require public bodies to purchase only those seafood species and stocks that are demonstrably sustainable; and for connected purposes.

I am delighted to introduce this Bill. Even as I speak, promising changes are afoot. A written answer to me that was published yesterday clearly put on the record the departmental fish procurement percentages, and I was pleased to see that the Secretary of State for Environment, Food and Rural Affairs had—this is according to what I have read—refused to sign off the EU protocol on tuna because it was not sustainable enough. So, this Bill is appropriate at this time, if not prescient. I thank, in particular, Alex Jackson of Sustain for allowing me to introduce it, and all those Members—some 50 or more—who signed early-day motion 226 to draw attention to this important issue.

No one can be in any doubt that the way in which we catch and consume fish on a global scale is of great importance given that it is devastating the biodiversity of our oceans and endangering some of our best loved fish species. Stopping the destruction will require action to change both how we catch fish and how we consume it. The Bill focuses on the crucial consumption side of that solution and outlines how Government, as a huge consumer of fish in the public sector, can lead by example in the purchase of sustainable seafood.

What is the problem? It is important to understand that fish stocks need careful management and that fisheries that are over-exploited can collapse suddenly, causing irreversible damage. Probably the most famous example of such a collapse occurred off the east coast of Newfoundland in 1992 when cod stocks vanished, the local industry evaporated and 40,000 people lost their jobs. To this day, the cod have not returned.

Data from the United Nations fisheries and aquaculture department paint a very bleak picture of the state of our oceans. On a global scale, it estimates that

"80 per cent. of the world fish stocks for which assessment information is available are reported as fully exploited or overexploited and, thus, requiring effective and precautionary management."

In British waters, we face an urgent problem. In the north-east Atlantic, the majority of commercial stocks are fully exploited, over-exploited or depleted, according to the UN Food and Agriculture Organisation's fisheries and aquaculture department's report of 2005. British salmon stocks are considered to be fully or over-exploited and North sea plaice, cod and sole are considered to be outside safe biological limits.

The experts also tell us that the threat posed by climate change will only serve to exacerbate those problems. In 2005, the Intergovernmental Panel on Climate Change predicted that climate change will have a significant impact on the future abundance and distribution of fish stocks.

What will the Public Bodies (Procurement of Seafood) Bill do? It will help support the sustainability of global fish stocks and species by making it a legal requirement that public bodies in the UK can only buy fish that is

[Mr. David Drew]

proven to be sustainable. It would do that by prohibiting the purchase in the public sector of fish from the Marine Conservation Society's "Fish to Avoid" list, which includes all fish in danger of over-exploitation. It would also require that all wild-caught fish purchased by the public sector should come from stocks that meet the United Nation's Food and Agriculture Organisation's code of conduct for responsible fisheries, which includes fish that meets the need for Marine Stewardship Council sustainability certification.

The Bill would aim to achieve three important things. First, it would ensure that the Government spend public money on fish in a responsible way that acts to solve environmental problems rather than causing them. Each individual British taxpayer spends approximately £70 a year on public sector food. They need to know that their money is being spent by Government to support the marine ecosystem and protect the sustainability of popular fish species rather than putting them at risk.

Secondly, the public sector should lead by example in the food we buy and serve to educate through best practice. It is especially important that public bodies lead by example in the purchase of fish, because the issues surrounding the sustainability of seafood are complex and not generally well known by the public. The Bill would guarantee that the public sector generates greater awareness of the issue and would also demonstrate to those who eat and prepare public sector food what sustainable fish is and how it can be purchased. That is particularly important when we consider that the public sector serves more than 1 billion meals a year to consumers including nursery and school children, hospital patients, elderly people in care homes and members of the armed forces.

Thirdly, the sheer purchasing power of Government has the capacity to drive the market for sustainable seafood, catalysing advances in the seafood industry. So, what about the public sector? The public sector is a big consumer of fish, but it is not an ethical consumer of fish. Sustain, the alliance for food and farming, estimates that each year the Government spend more than £40 million on seafood in the public sector. At present, public sector organisations are not required to meet any legal standard for the fish that they buy. There is Government guidance, but no rules. In fact, the Government do not even require the public sector to meet the rules they introduced under the fish labelling regulations, through which retailers must clearly label the origin and species, including the method of production, for all fish and fillets sold.

As a result, the public sector buys fish species that include some of the most vulnerable stocks in the world. The Ministry of Justice, for example, spends £1.25 million a year on fish and more than one 10th of that total is spent on haddock, without any regard to its sustainability. That is a huge cause for concern because, according to the Marine Conservation Society, some stocks of haddock are "unsustainable, overfished and vulnerable".

The picture is not any better in hospitals, where tiger prawns, dogfish and swordfish—species which are often produced particularly unsustainably—are available to purchase from the big catering companies. Research compiled by Sustain showed that of 341 fish, seafood or fish-based sandwich filling products provided by the biggest supplier of food to the NHS, which trades using an NHS logo, only one is listed in its catalogue as certified by the Marine Stewardship Council.

There can be little doubt that the future of popular global fish species lies precariously in the balance. The Bill provides a clear legal framework that would ensure that the millions of pounds of public money spent on seafood each and every year is invested in a way that would transform the long-term sustainability of seafood species throughout the world.

Question put and agreed to.

Ordered,

That Mr. David Drew, Peter Bottomley, Andrew Stunell, Annette Brooke, Mark Durkan, Mr. Andrew Dismore and Alan Simpson present the Bill.

Mr. David Drew accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 5 March and to be printed (Bill 72).

Energy Bill

Consideration of Bill, not amended in the Public Bill Committee.

Charles Hendry (Wealden) (Con): On a point of order, Mr. Deputy Speaker. You will be aware that fuel poverty and energy efficiency are key elements of this Bill. There was significant debate in Committee about a Government document called the household energy management strategy, about which the Under-Secretary told us on 14 January:

"I would have liked to have been able to brandish that to Committee members today, but it will come out in a couple of weeks' time-ish."—[*Official Report, Energy Public Bill Committee,* 14 January 2010; c. 218.]

A week later, he said that they were

"on...course to ensure that Members will see the strategy before Report".—[*Official Report, Energy Public Bill Committee,* 21 January 2010; c. 403.]

We were given those assurances five and six weeks ago—the strategy has not come out so far. It is fundamental to our consideration of the Bill. Can you, Mr. Deputy Speaker, put pressure on Ministers, even at this late stage, to produce this important document?

Simon Hughes (North Southwark and Bermondsey) (LD): Further to that point of order, Mr. Deputy Speaker. I endorse the point made by the hon. Member for Wealden (Charles Hendry) and remind the Under-Secretary, through you, of the undertaking and the conversation between all three parties. It is nonsense to try to debate the future of this part of policy without the relevant Government document, which must be available somewhere.

Mr. Deputy Speaker (Sir Michael Lord): Mr. Speaker is always anxious that all the documents necessary for a debate should be available before that debate takes place. That is obviously even more important if assurances have been given that the document will be ready. Those on the Front Bench will have heard the points of order. On the question of whether it is possible to do anything about it, there is nothing more that I can do from the Chair but repeat that it is important that all the documents necessary for a debate are ready and available before that debate begins.

New Clause 8

REPORTS ON DECARBONISATION AND CCS PROGRESS

'(1) The Secretary of State must, for each reporting period, prepare a report on progress during the reporting period

(a) in decarbonising electricity generation in Great Britain (covering separately generation by coal-fired generating stations), and

(b) in the development and use of carbon capture and storage technology in Great Britain.

(2) Each of the first three reports under subsection (1) must include an assessment by the Secretary of State—

(a) of whether use of carbon capture and storage technology in generation of electricity on a commercial scale has been, or when it will be, successfully demonstrated;

(b) of whether coal-fired generating stations for which appropriate consent is given on or after 1st January 2020 that are built in Great Britain can be expected to be constructed so as to enable use of carbon capture and storage technology on all their generating capacity.

(3) A report under subsection (1) must also include a review of whether, having regard to the other matters contained in the report, any government policies should be revised and, if so, why.

(4) In preparing a report under subsection (1), the Secretary of State must—

(a) consult the Scottish Ministers and the Welsh Ministers;

(b) take into account any relevant points raised by reports by the Committee on Climate Change under section 36 of the Climate Change Act 2008 (reports on progress).

(5) The Secretary of State must, within 1 year after the end of a reporting period, lay before Parliament a document containing the report under subsection (1) for that period.

(6) In this section—

"appropriate consent" means consent under section 36 of the Electricity Act 1989 or section 114(1)(a) of the Planning Act 2008;

"coal-fired generating station" means an electricity generating station powered wholly or mainly by coal;

"decarbonising electricity generation" means reducing the amount of carbon dioxide emitted into the atmosphere from electricity generation;

"reporting period" means—

(a) the period beginning with the passing of this Act and ending with 2011;

(b) the 3 year period beginning with 2012 and each subsequent 3 year period;

and "the reporting period", in relation to a report under subsection (1), means the reporting period to which the report relates.'.—*(Joan Ruddock.)*

Brought up, and read the First time.

2.9 pm

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following: new clause 6—*Carbon emissions performance standard*—

'(1) The Secretary of State shall make provision by regulations or otherwise for a carbon emissions performance standard to set the maximum level or levels of carbon dioxide that may be emitted per unit of output by all individual generating stations.

(2) The Secretary of State shall review the emissions performance standard established under subsection (1) no less frequently than every three years.

(3) In establishing the level or levels of the carbon dioxide emissions performance standard in subsection (1), and in carrying out the review required in subsection (2), the Secretary of State must—

(a) take into account the most up-to-date scientific knowledge about climate change; and

(b) obtain and take into account the advice of the Committee on Climate Change, particularly in relation to carbon budgets, medium- and long-term emission reduction targets, and future emissions from the electricity generating sector.

(4) The Secretary of State must introduce the standard under subsection (1) no later than 12 months from the date on which this Act is passed.'.

New clause 15—*Emissions performance standard*—

'(1) The Secretary of State may by regulation introduce an Emissions Performance Standard to apply to new electricity generation plant.

(2) In this section "Emission Performance Standard" means a restriction on the amount of carbon dioxide that electricity generation plant can emit.

(3) In setting such a level, the Secretary of State must take account of the latest information available to him on—

(a) the most up-to-date scientific knowledge about climate change;

(b) the advice of the Committee on Climate Change, particularly in relation to carbon budgets, medium and long-term emission reduction targets, and future emissions from the electricity generating sector;

(c) the affordability of electricity prices for consumers; and

(d) national energy security.

(4) The Secretary of State must set out his proposals for consultation within six months of the passage of this Act, with final proposals to be placed before Parliament within 12 months.'.

New clause 25—*Emissions performance standard*—

'(1) The Secretary of State shall, within one year of the passing of this Act, make provision by regulations or otherwise for a carbon dioxide emissions performance standard to set the maximum level of carbon dioxide that may be emitted each year by any coal fired electricity generating station.

(2) The maximum level of carbon dioxide under subsection (1) will be no more than 25 per cent. of the emissions that would be produced by a coal fired power station of an equivalent size operating without any carbon capture and storage equipment.

(3) The emissions performance under subsection (1) will come into effect no later than 2025.'.

Amendment 1, in clause 4, page 4, line 17, at end insert—

'(2A) An electricity supply levy will not be charged in respect of supplies of electricity, derived exclusively from renewable sources of energy.'.

Government amendments 5, 9 and 36.

Joan Ruddock: First, let me say that the document is not central to the features of the Bill. When my hon. Friend the Under-Secretary gave that undertaking in Committee, he did so in good faith. We want to get the document right, and it will be published shortly, but I do not believe that it is vital to the conduct of this debate.

Let me now address new clause 8 and Government amendments 5, 9 and 36. There has been much discussion during the passage of the Bill about the need to reduce the emissions from electricity generation and particularly from fossil fuel generation. In many ways, this issue is at the heart of my Department's mission. The decarbonisation of the electricity sector is central to achieving our statutory goal of reducing carbon emissions by 80 per cent. by 2050. The low carbon transition plan, which was published last July, set out our plans for getting about 40 per cent. of our electricity supplies from low carbon sources by 2020. Those plans include a comprehensive package of measures such as increasing support for renewable technologies, facilitating the development of new nuclear power stations, and demonstrating, then deploying, carbon capture and storage technology in our fossil fuel plants.

We have not stopped there. The lead times for investment decisions in energy infrastructure are such that we now need to develop clear pathways towards our 2050 goal; we cannot just stop at 2020. Our decarbonisation pathways to 2050 document, which will also be published shortly, will build on our low carbon transition plan and set out possible pathways to a low-carbon UK, including the decarbonisation of the electricity sector.

The need to decarbonise the electricity sector means that the issue of emissions from fossil fuel power station has to be addressed. Coal-fired power stations generate about 30 per cent. of UK electricity and about 40 per cent. of global electricity. Tackling emissions from coal-fired power stations must therefore be a priority if we are to avert dangerous climate change while enabling countries to maintain energy security.

Mr. John Redwood (Wokingham) (Con): How many new power stations do we need to commence building this year to avoid the risk of the lights going out because of the incoming, much tighter emissions standards and the retirement of old plants? On how many will construction start this year?

Joan Ruddock: I am sure that the right hon. Gentleman understands that we have an energy mix and a privatised energy market. It will be up to the companies to decide what investment they make. What we endeavour to do in the Bill is make it possible and profitable for companies to invest in new coal. We believe that if it were not for the provisions of the Bill, we would not get the new coal-fired stations that we will need, because we will lose a third of existing coal-fired capacity by 2015.

These are issues with which Parliament should be rightly concerned. We have set out clear ambitions that any new coal plant constructed from 2020 will be fully carbon capture and storage from day one and that coal-fired power stations with demonstration projects will retrofit CCS to their full capacity by 2025. Let me make it absolutely clear that there will be only a limited role for unabated coal in the 2020s.

Mr. Mike Weir (Angus) (SNP): The Minister might be about to come on to this point. I note that new clause 8 mentions the need to decide

"whether coal-fired generating stations for which appropriate consent is given on or after 1st January 2020 that are built in Great Britain can"

have full capacity for CCS. Can she assure us that it is not anticipated that coal stations that cannot have CCS in them after 2020 will continue to operate, or is it anticipated that such stations might continue without CCS?

2.15 pm

Joan Ruddock: It is very important to answer the hon. Gentleman's question in context. If he will permit me, I shall continue to set out the case, which will, I think, answer his question.

I repeat that these are issues with which Parliament should be rightly concerned. Ensuring that our policies deliver the carbon reductions that we need within the time frame that we need them is of critical importance if we are serious about tackling climate change. New clause 8 provides the means for Parliament to hold the Government to account for progress on these matters. It requires the Government to lay before Parliament, every three years, a report on progress towards the decarbonisation of the electricity sector including the decarbonisation of coal-fired power stations. The report will also include an assessment of the status of CCS technologies and progress towards demonstration at a commercial scale, and whether coal-fired power stations that have been consented to from 2020 can be expected to be fully CCS from the start.

Colin Challen (Morley and Rothwell) (Lab) *rose—*

Paddy Tipping (Sherwood) (Lab) *rose—*

Colin Challen: I think that I was a second ahead, but I am sure that my hon. Friend the Minister will take both interventions. Will she spell out what decarbonisation means in the context of this debate? I know that the Government have had a consultation on the subject. When we talk about CCS, are we talking about 100 per cent. abatement, 50 per cent. abatement or somewhere in between? I hope that we are talking about nothing less.

Joan Ruddock: Knowing how deep an interest my hon. Friend takes in these matters, I am afraid that I cannot answer his question in the precise detail that he would require. We will follow the advice that we get from the independent Committee on Climate Change, which has already made pronouncements on the decarbonisation of the electricity supply by 2030. We are currently considering how to progress from 2020 through 2030 to 2050, and it is in that context that we will be able to give him a definitive answer.

Paddy Tipping: Does the Minister believe that we need to be really honest with people and say that CCS has real potential but that it is currently unproven? That is why we need demonstration plans and a period of time in which to experiment with the technology and economics of the area. Those who press for early action risk the possibility of closing down CCS plants.

Joan Ruddock: My hon. Friend demonstrates real understanding of and wisdom on this issue. As I continue with my remarks, I will give force to the points that he has made. CCS is a new technology and we need to work on it, but it has great promise.

Martin Horwood (Cheltenham) (LD): Does the Minister agree with the International Energy Agency greenhouse gas R&D programme that

"there are only four fully integrated, commercial-scale CCS projects in operation"

today—at Sleipner, at In Salah in Algeria, at Snohvit in Norway and at Weyburn-Midale in the US and Canada?

Joan Ruddock: I am sorry to contradict what I am sure is an excellent report—indeed, I might not contradict it, as there may be a misunderstanding about size—but I am advised that there are no plants operating at the scale that we are proposing in our CCS arrangements for this country. There are plants operating at a pilot scale and there are research plants in other parts of the country, but there are no known commercially viable plants operating at the scale that we propose.

Bob Spink (Castle Point) (Ind): The Minister will have seen the report of the Select Committee on Science and Technology on CCS and its investigation, so she will know that the Committee agrees with her regarding CCS and the developing technology and that we must not rush into it too quickly and fall. She will also be aware that the three-year review period mentioned in new clause 8 is very long. Has she considered making it a one or two-year period?

Joan Ruddock: I thank the hon. Gentleman for that question. I know that he, too, takes a great interest in these matters. We certainly did consider having a shorter reporting period, but because there is quite a long way to go to make CCS operational at a commercial scale, the three-year period seems appropriate to us. That will mean that we will report in 2012 at the latest—just a couple of years from now—and in 2015 and 2018, coinciding with the review period. We think that that is appropriate, but of course hon. Members can always ask for ministerial statements at any time.

Mr. Brian Binley (Northampton, South) (Con): I recognise the wisdom of the hon. Member for Sherwood (Paddy Tipping), but also the need for balance in these matters. Will the Minister therefore confirm that competition among nation states for investment in CCS technology is massive and growing quickly? Does she agree that we must make sure that we do not disappoint potential investors by giving the impression that we are not overly bothered?

Joan Ruddock: I could not agree more with the hon. Gentleman. I am so glad to see such support on the Opposition Benches, from him at least. He is right: we need to get on with this—*[Interruption.]* I think that we may hear from some members on the Opposition Front Bench that they want to tinker with our plan for CCS, and possibly undermine it. We are very concerned about that.

Greg Clark (Tunbridge Wells) (Con): Get on with it, then.

Joan Ruddock: The hon. Gentleman says get on with it and that is certainly what we want to do. We want to have these plants up and running: that is the very heart of this Bill, and I thank the hon. Member for Northampton, South (Mr. Binley) for his remarks. He is absolutely right about the competition, as we need to make sure that the UK remains a leader in this field.

Martin Horwood: I am grateful to the Minister for giving way again. She questioned the scale of existing CCS projects. The Sleipner project in Norway currently stores 1 million tonnes of CO_2 a year in the Utsera saline formation, which is expected to have a total capacity of about 600 billion tonnes. What kind of scale is she imagining?

Joan Ruddock: Unfortunately, I do not have to hand the document to which the hon. Gentleman is referring. Although my understanding is that the facility concerned is not a coal plant that generates electricity, which is what this Bill deals with, the hon. Gentleman is absolutely right that the Norwegians have done groundbreaking work on the storage of CO_2. That is very valuable, and is part of the knowledge that we have today. The results achieved in Norway enable us to say with confidence that we know that the storage end of the chain seems to be practicable. However, we are talking about an operation involving generation, transport and storage, and no system covering those three components on a large scale exists in the world today.

Martin Horwood: Will the Minister give way on that point?

Joan Ruddock: No, as I need to move on a little. I have a lot to say and I regret that it may take me a little while to get through it all.

The House will recall that I was talking about new clause 8. The final element of the report will be a review of whether Government policies should be revised in order to achieve our stated goals. I think that it is very important that I draw that to hon. Members' attention.

A key part of the new clause is the requirement for the Secretary of State to take into account points raised by the independent Committee on Climate Change. That will ensure that reports will have to consider the advice of the organisation best placed to judge progress in delivering carbon reductions. I think that that answers to some extent the point raised by my hon. Friend the Member for Sherwood (Paddy Tipping).

This new clause, with the first report due in 2012, will guarantee hon. Members the opportunity to scrutinise progress towards our decarbonisation objectives and, importantly, to challenge the Government's actions. It will ensure that the Government undertake a regular review of key policies. It will ensure regular assessment as to whether policies require revision in order to deliver on our commitments. It is the backstop that will ensure that there is only a limited role for unabated coal in the future.

Amendments 5 and 9 make consequential amendments to part 1 of the Bill, and amendment 36 is a consequential amendment to the long title.

The new reporting clause is designed to give confidence to those who argue for an emissions performance standard. We share the concern across the House for greater progress on decarbonisation of our energy supplies. We agree with the Climate Change Committee that a step change in the pace of emissions reductions is required. We reflect this need in the measures set out in our low carbon transition plan, which will deliver emissions reductions to achieve our target of 34 per cent. over 1990 levels by 2020. They will also enable us to meet our statutory carbon budgets.

Emissions from the power sector are already regulated through the EU emissions trading scheme, which is at the heart of our domestic and EU efforts to tackle climate change. Phase 3 of the scheme, starting in three years' time, provides a significantly stronger framework than previous phases. An EU-wide cap will ensure a more ambitious, certain and consistent approach across the EU, and in the UK there will be 100 per cent. auctioning of allowances to the power sector, which will ensure that the cost of carbon is better integrated into business decisions.

I acknowledge, however, that the EU ETS on its own is not sufficient to reduce emissions from the power sector to the extent required. That is why the transition plan contains a raft of measures aimed at promoting the development and deployment of renewables, new nuclear and, of course, clean coal.

Our policy measures for clean coal are specifically designed to deliver a package that will enable us to meet the Climate Change Committee's recommendation that there should be only a limited role for unabated coal in the 2020s. There are four elements to the package, as follows: all new coal-fired power stations must demonstrate CCS at commercial-scale, around 400 megawatts of output; four commercial-scale demonstration projects on coal-fired power stations will be funded by the CCS incentive delivered by this Bill; demonstration stations will be expected to be retrofitted to their full capacity by 2025; and, finally, a rolling review of progress in the development of CCS technology will culminate in a report by 2018 that will consider the case for new regulatory and financial measures to drive the move to clean coal. I think that that goes some way to answering the questions raised by the hon. Member for Angus (Mr. Weir).

No other coal-dependent country has a policy that says that no new unabated coal-fired power stations will be built. No other country has a statutory financial incentive capable of raising the sums required to support the capital and operational costs of four large-scale CCS projects over the next 10 to 15 years.

Mr. David Anderson (Blaydon) (Lab): Will the Minister give the House some idea of what the financial liability will be for taxpayers and consumers?

Joan Ruddock: At the moment, I cannot answer that question, but I can tell my hon. Friend that, in devising the scheme, we have taken proper account of where the balance of interests lies. It is in the interests of all our consumers to have security of supply. We believe that coal must remain in the mix, and that the incentive could ensure that.

As always, we will consult at length about how the levy is framed. When the proposal is put out for consultation, the impact assessment will make clear what the effect will be, but we do not envisage that a disproportionate burden will fall on consumers in this country. We all know that we have to move to low carbon, and that everyone has to make a contribution. It is the Government's policy to try to protect those consumers with the least means to pay their energy bills.

I was setting out the elements of our plan for CCS. Far from being a laggard, as is often suggested by the Opposition, Britain is leading the world on this agenda, as is widely acknowledged by other countries. The new reporting requirement in new clause 8 guarantees that Parliament has the opportunity to challenge the Government on delivery of this programme to monitor our wider decarbonisation of the electricity sector, and to consider whether an emissions performance standard might be needed in the future. The introduction of an EPS now, as required by new clauses 6, 15 and 25—all of which are supported by some Labour Back Benchers, as well as by the Liberal Democrat and Conservative parties—would not lead to greater emissions reductions than those delivered by the framework that I have just set out and the EU ETS.

John Robertson (Glasgow, North-West) (Lab): Does my hon. Friend agree that the EPS could scupper the whole carbon capture project? The fact that the target cannot be reached in the initial phase means that the project would automatically have to come to an end. The EPS would therefore defeat the whole purpose.

Joan Ruddock: My hon. Friend anticipates me. I have just said that the introduction of an EPS now would not lead to any greater emissions reductions. In my next

sentence I intended to say that instead it could prevent any new investment in coal, and thus the demonstration of CCS and the development of clean coal. My hon. Friend is right.

2.30 pm

Dr. Gavin Strang (Edinburgh, East) (Lab): Does my hon. Friend agree that the Government would be capable of setting a level—obviously, no level is specified in any of the new clauses—that will not prevent investment in CCS?

Joan Ruddock: My right hon. Friend suggests that we set a level and says that no level is set in the new clauses. That is not quite true. A level is set in one of the clauses that we are about to debate.

What we are saying clearly is that an EPS, whether it is set at a specific level or whether it is entirely open, will undermine the coal programme that we set out, all the provisions in the Bill, and the investment that companies will be prepared to make if—if—there is support for CCS. They will not be prepared to make that investment in circumstances in which there is uncertainty about layering over some other standards.

Greg Clark: Remove the uncertainty.

Joan Ruddock: The hon. Gentleman will have to answer questions about the level at which the standard would be set, when it would be introduced and what he understands would be the effect on investment in new coal. I suggest to him that the effect would be no new coal. If that is the Conservative party policy and intention, he will have the opportunity to tell the House this afternoon when he makes his own speech.

I shall try to make progress. The energy industry, the CBI and the TUC have all told us, in no uncertain terms, that an emissions performance standard introduced now will significantly undermine investment plans. If there are no new coal power stations, that puts at risk the whole demonstration of CCS in the UK. Does that matter? We think it does. It matters because CCS has the potential to play a critical role globally in tackling climate change. It matters because fossil fuels play a vital role in our energy mix, and CCS is the only technology that will allow them to continue in a low carbon future.

Mr. Redwood: I know the Minister does not have the detailed figures, but surely she must have some idea of the relative costs to the consumer and the taxpayer of cleaned-up coal power, compared with wind power, wave power and so forth. We need to know that to inform our judgment.

Joan Ruddock: I am sorry. Perhaps I did not respond sufficiently to my hon. Friend the Member for Blaydon (Mr. Anderson) who asked the question, and I am happy that it has been repeated. I say again that the design of the levy and the consultation have yet to come, but in our discussions we anticipated the cost to the householder being 2 to 3 per cent. on bills by 2020, arising specifically from these provisions. We all have to bear some burden for developing the low carbon economy. The Government will do that in a proportional way and we will try to protect the poorest.

By acting early on CCS we open up opportunities for UK businesses in a major future market, sustaining 30,000 to 60,000 jobs. But it is not just coal that is at risk. The extension of an emissions performance standard to gas-fired power stations, which is required by new clauses 6 and 15, would delay, and possibly deter altogether, investment in new gas projects.

That is no small matter. Around 18 GW, which is about one quarter, of current electricity capacity is expected to be lost over the next decade as environmental standards for coal and oil power stations become more stringent and some nuclear plants close. A significant proportion of the new capacity that will fill the gap is gas-fired. Any delay in investment caused by the regulatory uncertainty associated with an emissions performance standard will pose significant risks to the security of our energy supplies.

I turn to the situation that we expect to be in by 2025, which is at the heart of new clause 25. Let me make it clear that the charge made by Greenpeace in *The Guardian* today is unfounded. It will not be possible for

"big energy companies to pollute far into the future from new coal-fired power stations like Kingsnorth".

Greenpeace say it will, and I say it will not be possible. These are the reasons. We have made it clear that we expect that the CCS demonstration plants will retrofit CCS to their full capacity by 2025. Our aim is that any new coal-fired power station built after 2020 is 100 per cent. CCS from day one.

Martin Horwood: The hon. Lady repeatedly uses words such as "expect" and "aim". That is what fuels the scepticism of Greenpeace and many of the rest of us. What happens when an expectation is not met? Will she tell us what would happen to a power station in those circumstances? An expectation has no legal force.

Joan Ruddock: This country would not have got very far in its development over the industrial ages if the attitude that the hon. Gentleman portrays had been taken. We would not have had all the great innovations and the marvellous work of all our engineers. There were always expectations. There must be expectations if we are to achieve. To go forward and get things done, we must have expectations. We have expectations.

A moment ago the hon. Gentleman was shouting from a sedentary position that CCS was a proven technology, and he cited Norway. He cannot have it both ways. Either he thinks the technology will work—*[Interruption.]* Yes, my hon. Friend the Member for Blaydon is absolutely right: being a Lib Dem, the hon. Member for Cheltenham (Martin Horwood) can it have it both ways. The question is whether the technology is demonstrated at research and pilot level, which it is; whether it is promising, which it is; and whether it is a technology in which companies with enormous expertise are prepared to invest, which they are. It is all those things.

It is reasonable to have expectations, but suppose the hon. Gentleman's pessimistic outlook were confirmed and all that were to fail. We have said categorically that there will be a rolling review. We are debating a clause that provides for a strict reporting regime. The House will always know what is happening in this field and Government policies can be adjusted. We have said that that rolling review will conclude by 2018. If the CCS

[Joan Ruddock]

technology is not working and is not deployable, we will have to introduce other means of curbing and decarbonising. We have said that clearly again and again. *[Interruption.]*

The hon. Member for Wealden (Charles Hendry) says that that is such a threat. One of the potential measures that could be introduced is the EPS, which he seems to favour so much. We have said that the proper way of dealing with the situation is to consider, measure and analyse what is happening with CCS. If it is a success, as we hope, we have solved the problem. If it is not, we have to move to another technology. That is the time to consider an EPS, not now.

Colin Challen: It would help me in the debate to understand better whether the Government are concerned about the timing of an EPS or about whether it is right in principle to introduce it. I agree with my hon. Friend's argument about the nature of development. Putting the standard before the development is like putting the cart before the horse. Our railways would not have developed if the standards were in place before the railways were built. Is it a question of timing? In principle, I support an EPS to stop any backsliding at a future date. That is the danger. If market conditions price coal at a certain level, certain future Governments might want to backslide on the whole deal.

Joan Ruddock: I could not have put it better myself, and I am grateful to my hon. Friend, because the question is essentially one of timing: introducing an EPS today would be premature and undermine investment; and, as we progress with CCS we will be able to judge whether we require an EPS or, possibly, another mechanism. The independent Committee on Climate Change has said that there could be as many as four ways of making further progress on decarbonisation, of which EPS is one. My hon. Friend may be right and EPS may become the favoured means if we have to deploy other means than CCS, but at this stage it would be premature to decide that an EPS was the right instrument, because several could be used and EPS is just one of them.

As a consequence of the policy of new coal, CCS and retrofitting, by 2025 all new stations would be achieving abatement well above the EPS in new clause 25. It defines the EPS as limiting carbon dioxide to 25 per cent. of the emissions that would exist if CCS were not in place, but including a specific measure in legislation now might cut across the future methods of delivering our stated policies, and as I have clearly indicated it would not add anything to decarbonisation.

Even the independent Committee on Climate Change does not recommend the introduction of an EPS now. Instead, in its report of October last year, it identified a number of options, as I just indicated, for delivering the necessary investment in low-carbon generation. They include a carbon price floor, a feed-in tariff and a low-carbon obligation, as well as a low EPS.

John Robertson: Does my hon. Friend agree that setting a target that is too low would have the same effect as setting a target that is too high? There would be no incentive to develop a coal station to a level that was always going to increase in the future. If we set the target at such a low level, however, that is what we will get.

Joan Ruddock: My hon. Friend is absolutely right, and I know how much expertise he has in this field. I remind the House that the CCS technology promises to take out 90 per cent. of carbon dioxide emissions.

The independent Committee on Climate Change report to which I referred clearly states that the committee

"does not yet have a view on which measure would"—

be—

"best...but believes that all should be seriously considered in the near term".

We know that the scale and pace of change that is needed to deliver low-carbon energy will test the current energy market arrangements, and that is why we are assessing the existing framework to ensure that we can deliver the investment that is needed. We will publish the initial findings of that work at this year's Budget. It would not be sensible to commit to one particular measure now, before that work is completed, particularly when very significant risks, which I have outlined, are attached.

The introduction of an EPS does not depend on the Bill. If at some point in the future we decide that an EPS is required to deliver decarbonisation of the electricity sector, we already have a well established and comprehensive framework for introducing it under the Pollution Prevention and Control Act 1999.

Judy Mallaber (Amber Valley) (Lab): It would clearly be advantageous if, by developing that technology, we could then assist other countries. We would secure a larger reduction in emissions globally if we were able to do that. Will the Minister indicate how our timetable for creating the prototypes will fit in with our development and export of that technology, if successful, so that other countries might use it and lower their own emissions?

Joan Ruddock: My hon. Friend is absolutely right. Given the extent to which the developing economies and the great emerging economies, such as China and India, will continue to use coal, CCS is absolutely vital to tackling climate change, as I said at the beginning of my speech. If we are able to develop the technology speedily in this country, there will be real export potential. Co-operation is already under way between the UK and China and the EU and China. The EU will also fund some CCS projects, of which we hope at least one will be in the UK, and they will be combining all the information. CCS is very much a global project, but at the same time, from the point of view of British industry, if we get ahead we will be in a very good position to help other countries and benefit financially.

2.45 pm

Amendment 1 relates to the CCS levy, which would be used to fund a new financial incentive to support industry in bringing forward a programme of four commercial-scale CCS demonstration projects and, should it prove necessary, the retrofit of any unabated coal capacity at those stations. The amendment would insert a provision in clause 4 exempting from the levy electricity that is produced from renewable sources.

I made it clear in Committee, however, that we will not apply any exemptions or reduced levies based on the source of the electricity generated, and that includes renewables. For the foreseeable future, we will continue

to depend on flexible fossil fuel plant to ensure that the electricity system can respond to changes in supply and demand, thus keeping our electricity system stable and ensuring security of supply. We know that that flexibility is likely to become more important in the future as variable renewal generation increases.

The CCS levy will support the development of a low-carbon technology that will benefit all electricity consumers and, in the longer term, provide an additional form of affordable low-carbon generation. That is why the levy should apply to all types of supply. The one necessary exception that we foresee may be the exemption of electricity that is exported from the UK. Our intention is that the detailed policy for the levy, together with the draft regulations, will be subject to formal public consultation in the summer. Clause 4 also requires that regulations be laid in draft and approved by both Houses of Parliament before they are made.

New clause 8 would put in place a reporting mechanism that provided for the scrutiny of progress on CCS and any adjustment to a policy that already provides the most comprehensive plans in the world for the development of clean coal. The introduction of an emissions performance standard at this stage would undermine the very basis of those plans, threaten much-needed investment and jeopardise our energy security. The Government will therefore oppose new clauses 6, 15 and 25.

Charles Hendry: As we start our deliberations on Report, it is appropriate that we put on the record our general gratitude to the Government for the way in which they have listened to the concerns expressed about some of the issues.

The Secretary of State for Energy and Climate Change (Edward Miliband): Hear, hear!

Charles Hendry: I would not go that far, but we are grateful for the way in which the Government listened to many of the discussions that took place and to the representations in Committee. Indeed, they have re-tabled some of the amendments that they voted against, and we greatly welcome that change of heart. We hope that that road to Damascus has not ended just yet, and that, on further reflection, they will continue on it.

We absolutely agree with the Minister of State, the hon. Member for Lewisham, Deptford (Joan Ruddock) about the need to act urgently. We will lose one third of our coal-fired generation plant by 2016; the remaining oil plant, which is mainly used for peaking capacity, is due to close at the same time; most of our nuclear power stations, apart from Sizewell B, are due to close by the early 2020s, and there is an urgent need to build new capacity. However, if we look at the time scale, we know that the nuclear fleet, if it goes ahead, will begin to come into play only by the end of this decade; that carbon capture with coal can be commercial, again, only by the end of this decade; and that the scale of the Government's targets and objectives on renewables pushes their introduction out towards 2020. Therefore, there is a significant need for new gas generation in the system. The reality, though, is that as a result of the delays in starting to build those plants, our energy security has been put at severe risk, which has resulted in a scramble to try to put in place the required new-generation capacity. Indeed, the Government's own documentation, including the low-carbon transition plan, referred to the risk of potential power cuts by 2017, while this morning, in evidence before the Select Committee, the regulator cited his concerns and those of Ofgem about the picture in the middle and latter part of this decade.

We entirely accept the role that CCS and coal can play in the mix. It is a new technology, and it is one where we absolutely should be leading the world. The Minister said that Britain remains a leader, but she must be in danger of believing some of her own rhetoric. At the evidence sessions before we started the Bill's consideration in Committee, we heard many people say that we were losing our global opportunity, and we heard companies say that they had closed down their projects in Britain because of the approach adopted to them. Jeff Chapman, who heads up the Carbon Capture and Storage Association, said that Abu Dhabi and China will probably be the first two countries in the world to have commercial CCS facilities.

Britain must do much more to recapture the necessary sense of urgency, which is why we have been urging the Government to speed up the competition—a competition which the hon. Member for Sherwood (Paddy Tipping) has described as a competition without end. Real frustration is felt about the pace of progress. The Government should have included the pre-combustion option at the outset. They should be taking a much greater strategic view about how one encourages clusters by requiring oversized pipelines to be installed from the outset. We have heard from the Government about the establishment of the office of carbon capture and storage, but, a year after its announcement, I gather it is still little more than a blank piece of paper. We urgently need to grasp the issue and to make progress if Britain is to show the leadership of which it is capable in this area.

Certain aspects of new clause 8 are good. The requirement to report to Parliament is an important improvement to the process, but that should not be undertaken every three years: there should be an annual report to Parliament so that we can take account of the progress made. We all know from the evidence we gather as individual Members of Parliament that this is a fast-moving technology, and the current technology is significantly further forward than it was just a year ago. A requirement to report to Parliament only every three years does not give us the opportunity to take account of such progress.

Simon Hughes: I do not dissent from the specific point that the hon. Gentleman is making. However, would not an even better form of conducting our business be for Parliament to have an annual energy debate every year, just as we have annual defence debates and suchlike, so that we could review our whole energy policy? We should ensure that we do not just go from a five-year or a 10-year energy White Paper, or energy policy, without keeping it under review and make the changes in the way that the country would expect.

Charles Hendry: The hon. Gentleman is entirely right. We seem to have a new Ministry every year, and a review, White Paper or consultation every year, so we should at least have an annual debate led by the Secretary of State to discuss the whole energy picture.

On the specific issue of the emissions performance standard, on which the Minister, understandably, spent so much of her speech, our concern is that the Government will create precisely the fear among investors that they

[Charles Hendry]

want to avoid. The Minister talks about removing the uncertainty, but the uncertainty is already there. Subsection (3) of new clause 8 says:

"A report under subsection (1) must...include a review of whether, having regard to the other matters contained in the report, any government policies should be revised and, if so, why"

that is, essentially, whether an EPS needs to be introduced. Speaking at the Coal UK conference earlier this week, the Energy Minister in the other House, Lord Hunt, said:

"A rolling review process, which is planned to report by 2018, will consider the appropriate regulatory and financial framework to further drive the move to clean coal, in the event that CCS is not on track to become technically or economically viable, an appropriate regulatory approach for managing emissions from coal power stations will be needed."

We have there a tacit acceptance that an EPS is hanging over the industry as a sword of Damocles. In a letter that the Minister has sent to many Members of Parliament—it appears not yet to have found its way to my Conservative colleagues, but I am sure that that is due to postal delays—she tries to reassure MPs by saying:

"Such changes could include introducing an EPS once some experience of CCS has been gained."

The EPS is hanging over the industry, so the doubt is already there. In the boardrooms of Essen, Madrid and elsewhere around the world, people are having to look at the realistic prospect of an EPS being introduced in Britain. At this stage, however, because of the way that the Government have gone about it, those industries do not know whether it will be imposed retrospectively or on new plant, at what level it will be introduced, if it will be imposed on peaking capacity, or if it will be imposed on plant in its start-up phases. An incredible amount of doubt exists, which the Minister's approach has itself created, and that is why we need to go further in providing clarity.

Joan Ruddock: I have made it absolutely clear today that we are providing for CCS to become operational, and that we have a rolling review of that. The companies want to have this opportunity. If they are in any doubt about whether we favour an EPS now, I think that I have made it absolutely clear that we are completely opposed to that, and we will vote against it. Perhaps the hon. Gentleman has not read the letter from the CBI, which says that it is completely opposed, too. That should be enough of an indication as to where industry stands.

Charles Hendry: I understand what the Minister is saying. Key decisions will be made by E.ON in Essen about whether it wishes to go forward with new coal plant at Kingsnorth, should it come through with the project. As a result of new clause 8, it knows that in 2011 the Government could say, "It's not looking as good as we thought—we're now going to have to go down the route of the EPS." *[Interruption.]* No, the Secretary of State is wrong—the assessment has to be made every three years, so it will happen in 2014 and 2017. In the boardrooms of the companies that are making these decisions, people know that at any point in the next few years Ministers could suddenly say, "Yes, we're going to have an EPS after all", but no clarity has been provided to them about how that standard would be introduced and the consequences that would follow.

Mr. Redwood: I am grateful to my hon. Friend the shadow Minister, who has, not surprisingly, made a much more convincing case than the Minister, and has taken seriously security of supply. Given that subsidies will be an issue in this new technology, and that penalty payments for excess carbon are also an issue, the Government must set targets for the amount of carbon in order to justify the subsidy or the penalty payments, so why are they denying it?

Charles Hendry: As always in such matters, my right hon. Friend is absolutely correct. What we have is an extremely interwoven web of a range of different issues. Complex decisions will need to be made, but given the Minister's approach, it is less likely that we will secure investment in new coal.

Joan Ruddock: Everything that I have said today about the rolling review and the reporting clause in new clause 8 is predicated on the fact that we believe that CCS will succeed. The companies think that CCS will succeed. There is therefore no reason for them to suspect that we are going to introduce an EPS, because if we succeed, there is no rationale for doing so. It is but a backstop in the event that CCS does not succeed.

Charles Hendry: A company that is allocating hundreds of millions or billions of pounds to new projects must look at the long-term environment in which it is investing. What we are seeking to do, in conjunction with many of the Minister's hon. Friends, is to provide that clarity in the shortest possible time scale. This is about securing investment rather than driving it away. Business is not overwhelmingly concerned about the principle of the EPS but about the level of it—that will determine whether investment is or is not made.

Dr. Alan Whitehead (Southampton, Test) (Lab): As far as I recall, the hon. Gentleman supported the mechanism that was contained in the carbon budgets system in the Climate Change Act 2008, which provides not only for carbon accounting and budgeting but for a five-yearly review of what is happening, not only on the basis of where we are going but of a review of whether there should be corrections to that course. That does not spread uncertainty, as I am sure that he would agree, because he supported it. Does he not accept that this is a similar mechanism, which, by the way, he should address in terms of what happens with marginal coal plants as the process continues over the years? Does he consider that this system, in sustaining marginal coal plant in the system through the years, may be a better system than the indeterminate approach that he suggests in his proposal?

Charles Hendry: I have great respect for the hon. Gentleman, but there is a fundamental difference here. We are talking about policies that will help to drive investment decisions, which need to be made in a relatively short period. The people who are making them need to know the long-term scenario in which they are investing and the environmental and financial criteria that will be relevant. If there is no clarity, persuading people in boardrooms in Madrid and Essen will become that much more difficult. What we seek to do—we have

broad cross-party agreement on this—is find a way to provide that certainty but at the same time help to deliver on the low-carbon commitments on which we all agree.

3 pm

Mr. Weir: The hon. Gentleman assumes that a change in Government policy would mean the introduction of an EPS or similar mechanism, but there is another danger. The only coal plants likely to be built in the next few years are those that will be subject to the levy and will effectively be subsidised. We may get to a point in 2020 at which the plants have been built but CCS is not working or is not economic, and there is then a real danger of a change in policy, with the Government saying, "We will not go ahead with this, because we have invested so much money in these plants." We could therefore end up with higher emissions in the long run unless there is an EPS from the beginning that would force down the emissions or mean that the plant would not proceed.

Charles Hendry: One concern is that the Bill states that the levy may in due course be used for retrofitting. It does not state that there is an automatic right for it to be so used. Although the Minister has said today that it could be, there is no legal basis for her words in this House being used in a court in years to come. It is the words printed in the Bill that will be used. Accordingly, an element of doubt will remain. People will say, "Yes, I may get the levy for the first 300 MW, but what about for the next 900 or 1,200 MW, or however much more there will be?" Companies will say that that is not guaranteed, so we need to consider what the likely framework is and how we can give them the assurance that they need.

What we want is an emissions performance standard that helps to give investors certainty, so that when they come to make their decisions they know exactly what the investment criteria will be. That is why I believe—

Joan Ruddock *rose—*

Charles Hendry: I will make a bit of progress, and then of course I will give way to the Minister when she has heard me develop my argument a little more. *[Interruption.]* The Secretary of State says that I am being a bit churlish. I would hate to be in any way churlish, so I give way to the Minister.

Joan Ruddock: The hon. Gentleman is making the case that industry requires certainty, so I invite him to provide us with the evidence given to him by companies that have contacted him to argue in favour of an EPS at this time.

Charles Hendry: What companies have told us is that they are concerned about an EPS that is too high and that would deter investment. They accept, however, that an EPS set at the right level could help to provide certainty and drive things forward. That is why I believe new clause 15 is very much better than new clause 8. As always in these matters, I pay tribute to the hon. Member for Nottingham, South (Alan Simpson), who has campaigned on them for a very long time and has a tremendous understanding of them. I am glad that he and we were able to reach agreement on a new clause that we could support.

The critical point is that new clause 15 would put in place a time scale. It is a tight one, suggesting that proposals should be established for consultation within six months and confirmed and laid before Parliament within 12 months. In the time scale in which decisions would have to be made, businesses in Britain or elsewhere would know exactly what would be expected of them for some decades to come. That degree of clarity would be extremely helpful to them.

New clause 15 would also provide clarity about what factors should be taken into consideration. It mentions evidence from the Committee on Climate Change, affordability and other issues affecting consumers, which we should bear in mind, and security of supply.

Dr. Desmond Turner (Brighton, Kemptown) (Lab): The hon. Gentleman's remarks about giving the market a clear signal would carry some weight if such a signal were contained within the new clause that he and my hon. Friend the Member for Nottingham, South (Alan Simpson) have proposed. However, it leaves the EPS so open-ended that it could mean absolutely anything. It could even encompass the emission levels of a current plant. Without having some definition of what the EPS would be, the market still would not have a clear signal.

Charles Hendry: The hon. Gentleman is right, but we were determined not to put that figure in the Bill, because that would be counter-productive in the long term. No decision on new coal will be taken in this country in the next six months, and no new investment decisions are likely in that time. Under new clause 15, within those six months industry would know the recommended figure and whether it would be enforced within the following six months. Within the time scale for new investment decisions, there would be complete clarity for investors so that they could make the appropriate decisions.

Mr. David Anderson: One of the points made by people who prefer the market approach is that the market is better than the state because it will always find innovative ways to do things. We heard that argument this morning in the Energy and Climate Change Committee. If that is the case, what does the market have to be worried about? If the EPS is not in place, it will find innovative ways of addressing the matter. If the hon. Gentleman does not believe companies can do that, will he tell the House which companies they are, as my hon. Friend the Minister asked?

Charles Hendry: Markets work better if people understand the framework within which they are investing. If a big cloud of doubt is hanging over them, it is very difficult for them to make a rational long-term decision. We are saying that within six months, confirmed within a year, we would provide greater clarity. That is how we can provide support, advice and help to potential investors.

Colin Challen: The hon. Gentleman is a highly respected member of the Energy and Climate Change Committee, but on this occasion his arguments have more holes than Swiss cheese. Will he confirm or deny the story in *The Guardian* this morning suggesting that although he and his Front-Bench colleagues will troop through the Division Lobby in support of the new clause, his Back Benchers are on a one-line whip?

Charles Hendry: It is a great shame that Tim Webb did not check the story with us before he wrote it, as we could have told him that it was without foundation. I am not aware of a single colleague who has said that they want to be away tonight because this issue is inconvenient to them. *[Interruption.]* The Secretary of State may have heard of them, in which case he may wish to name them. As far as we are concerned, some people will be away doing other business that was planned a significant time ago, but the story in *The Guardian* is without foundation.

I wish to address some of arguments the Minister used in the letter that she sent to her Labour colleagues. She wrote that an EPS

"could mean no investment in new coal at all thus making the development of carbon capture and storage (CCS) technology impossible in the UK."

That is absolute nonsense. The levy will pay for the demonstration projects and there is scope for it to pay for retrofitting 100 per cent. of the plant's capacity, so that all those bidding under the CCS competitions would know that all their extra costs would be covered. The Minister paints a picture of what the EPS would do that takes no account of the level at which it might be set after further consultation. She writes:

"There is no EPS anywhere in the world that operates along the lines of NC6."

However, the important new clause is new clause 15, which addresses the concerns by highlighting the range of different issues that would be taken into account in deciding the level at which the EPS would be set.

I am afraid that the Minister is rather partial in the quotations that she uses. She has undoubtedly used the truth, but I am not sure that it is the whole truth and nothing but the truth. Her letter quotes the CCC as stating that it

"does not yet have a view on which measures would best tackle the risks."

She leaves out the section in which the CCC states that it

"believes that all should be seriously considered in the near term",

which must include an EPS.

Joan Ruddock *rose—*

Charles Hendry: I hope the Minister will tell me that that was an oversight.

Joan Ruddock: Not at all—if the hon. Gentleman had been listening, he would have heard me give that quotation in full in my speech.

Charles Hendry: I have to say that more MPs will have read her letter than heard her speech. Looking at the number who are present in the Chamber to take part in the debate, there is no doubt that many more will have been swayed by what she tried to tell them in writing. I hope for her sake that more read the letter than heard the speech.

The Minister also expresses a view that an EPS could cover gas as well as coal, which of course is true. Indeed, both she and the Secretary of State have referred to the fact that both coal and gas would be likely to be involved in CCS. However, investors in gas—equally as much as those involved in coal—need to know what will happen in years to come. Leaving things so open could drive away the crucial investment that we need in new gas capacity in this country, because not only coal will be affected.

In conclusion, an EPS, set at the right level, encourages investment, because it gives the clarity that investors need on long-term policy making. The Government need to give long-term clarity to investors in coal with carbon capture, just as they have done for investors in nuclear and renewables. The latter already have such clarity in the shape of the policy framework and the funding regimes, which ought to be applied to coal with carbon capture. New clause 15 is proposed by a broad coalition, and I hope that when the Minister reflects on this debate, she is prepared to reconsider her position on it.

Dr. Strang: It is worth registering that there is an overwhelming consensus in the House that we need to take effective action in response to the threat of climate change. The statistics issued by the Department for Energy and Climate Change are very interesting in that they emphasise the importance of the energy and electricity supply in that context. The figures from 1990 to 2008 are striking because they show that energy supply and transport account for well over half of total emissions, and that emissions from energy supply are more than 50 per cent. more than for transport. The Government are right to believe that energy supply is at the centre of where we need to take action to tackle climate change. The nub of the argument is whether there should be an emissions standard or standards in relation to our power stations. There is a strong case for having more than one emissions standard, and I am of that view, and a case for more effective regulation of our power stations in future.

Government new clause 8 is constructive and takes us forward. Subsection 2(a) states that the report will tell us

"whether use of carbon capture and storage technology in generation of electricity on a commercial scale has been, or when it will be, successfully demonstrated".

We should not forget that. It is implicit that such technology may not be successfully demonstrated and that any emissions reductions may not be cost-effective. Of course we can have CCS in some form or other, but the question is whether we can develop it effectively to reduce emissions sufficiently significantly—by more than 50 per cent., as my hon. Friend the Member for Morley and Rothwell (Colin Challen) indicated—and whether that will be cost-effective. We should not lose sight of the fact that that is where we are.

There is a consensus in the House that we should go down the road of providing financial support for CCS. That is fine, and it is important that we acknowledge that Government new clause 8 is constructive because it provides for a report. However, it is essentially retrospective, in the sense that we will always be looking back and seeing what happened, which is very different in principle from setting out standards that will apply in future. Of course, there could be different standards for new coal, old coal, gas and, indeed, in theory, for every single power station. The problem is sufficiently important that we must drive down emissions for new power stations and old.

3.15 pm

I shall just touch on the two new clauses that attract my interest because I know that other hon. Members

wish to speak. I am grateful to my hon. Friend the Minister for drawing my attention to the fact that the proposal for an actual emissions standard that must be met is a Liberal new clause. I pay tribute to my hon. Friend the Member for Nottingham, South (Alan Simpson) for his tremendous commitment to taking action on climate change and for the amount of work he has put into the matter in recent years. He may disagree, but new clause 6 is far better than new clause 15. New clause 6 is similar to the measure he proposed in Committee. New clause 15 refers only to new power stations. I am not suggesting that we ignore them, but that measure envisages a hugely different degree of intervention and regulation.

I was attracted to the formulation of my hon. Friend's proposal in Committee and to new clause 6 because they emphasise the plural. In theory, we could have one EPS for every station in the country, and every station would have to be below it. My view is that it would be more practical to have different emissions standards for different classes of power station. That is another reason why I find new clause 6 more attractive than new clause 15, but it would nevertheless be an advance if it were possible to win support for the latter.

Again, there is a consensus not only that CCS should be encouraged, but that we should be prepared to put quite substantial sums of money in the way of the companies. The companies that will provide the framework for research and development are large, transnational companies. However, we must try to ensure that we get value for money. It would not be unreasonable for the heads of some of those large companies to say, "Look, we want as much money as we can get with no strings attached," given that they are in business and that they want to get on with research, investment and, of course, making a private profit.

Mr. Redwood: Does the right hon. Gentleman agree that the Government must have targets and standards in order to allocate subsidy and penalties?

Dr. Strang: That is an interesting point, but I will not respond directly to the right hon. Gentleman because I do not have time. However, I do not see the logic of the argument that setting a standard will somehow deter investment, because the reality is that companies want a rough idea and framework for the future. He is criticising the new proposals and saying that we should not support them because they do not give figures, but, obviously, their strength lies in the fact that there will be a year's consultation and discussion, after which the Government can decide on the appropriate EPSs for our various power stations.

New clauses 15 and 6 are not asking for an awful lot. No one is trying to lay down a prohibitive standard—or standards—that will frighten off investors. We should remember that the investors we are talking about will get large sums in subsidy from the levy towards their research and development.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): If we follow the right hon. Gentleman's argument on new clause 25, having a set date by which companies must have carbon-neutral stations with full CCS would be the best incentive in terms of giving certainty to the market on the delivery of those technologies.

Dr. Strang: I am not knocking new clause 25, and I will be interested to hear what the hon. Gentleman and others say about it; I was trying to concentrate my remarks on the principle of the EPS.

Finally, the case for publishing the emissions standards within a year has to do with transparency. If we did that, we could have proper dialogue and debate both in Parliament and outside, and real transparency.

Paddy Tipping: Is my right hon. Friend confident that within a year we can correctly define the emissions to a target standard? New CCS will not be up and running within 12 months: it will be far later than that before the technology is proven. Any definition at this stage, or in 12 months, will be premature.

Dr. Strang: I agree with most of what my hon. Friend says, but the standards will not be set in stone. They will not stay the same for the next 10 years. Individual standards will be the standard for the year or three years to which they apply—

Dr. Whitehead: That is a recipe for uncertainty.

Dr. Strang: Well, it is less uncertain than zero standards. We are responding too kindly to the understandable position of the transnational companies which want the money without strings attached.

Martin Horwood: I join the hon. Member for Wealden (Charles Hendry) in giving credit to the Secretary of State and the departmental team for the progress they are making in, for example, tackling climate change and addressing issues such as carbon capture and storage. It is worth casting our minds back to the days before the appointment of the current Secretary of State to a time when we had no Committee on Climate Change, no Climate Change Bill and no feed-in tariffs. We did not even have the expectations that we now have for CCS by the 2020s, and there was limited competition to incentivise it. We should recognise the progress that is being made.

However, this debate takes place in inauspicious times. According to an opinion poll this morning, there is growing scepticism about the reality of climate change and the anthropogenic causes of it. There is growing scepticism in the media, in newspapers such as the *Daily Express*, and among those on the Conservative Benches. Indeed, I see that the right hon. Member for Wokingham (Mr. Redwood) and the hon. Member for Northampton, South (Mr. Binley) are breathing down the neck of the hon. Member for Wealden. That kind of scepticism is on the rise, but it is important that we reiterate that the overwhelming scientific consensus is still that climate change is certainly happening and it is overwhelmingly likely that it has man-made causes.

We also meet in the context of the failure at Copenhagen to agree a rigid international framework for tackling the next phase of carbon emission reductions worldwide. The world's Governments are drinking in the last chance saloon when it comes to tackling climate change in time.

Other hon. Members have referred to the warnings from the Committee on Climate Change, the newly established Government advisers on this subject. It says:

"Progress in reducing emissions in the five years before the first budget period"—

[Martin Horwood]

the first carbon budget period—

"both overall and in most sectors, was far slower than now required to meet budget commitments. A step change in pace of reduction is essential."

The committee's report refers specifically to some of the issues that we are discussing today. Of the power sector it says:

"Investment in low-carbon generation is risky and may not be pursued sufficiently under current market arrangements."

In other words, the current market arrangements are those prevailing under the European emissions trading scheme.

Mr. Redwood: How serious do the Liberal Democrats think the possible shortage after 2016 will be, given the number of power stations being retired and the absence of new ones? What would he do about that?

Martin Horwood: The right hon. Gentleman makes an important point. That is an issue that might in the end lead to derogations from European directives to keep aged power stations online or to allow more importation of gas, which would not be a satisfactory outcome. We certainly need action now, not only to promote CCS but to promote greater seriousness about renewables. For example, we need a stronger feed-in tariff for renewable energy and many other such actions to address the issue that he is talking about.

The Committee on Climate Change also said in its report that the current market arrangements—in other words, those prevailing under the European trading scheme at the moment—are insufficient and leading to a perception of risk in investment in low-carbon generation. It states:

"A new framework to support investment in CCS generation is required."

It also talks about reviews, as the Minister did. However, it mentions

"financial support for roll-out, limits on generation from conventional coal beyond the early 2020s, and timely commencement of a second demonstration competition".

I suspect from the Minister's remarks that she may have misunderstood the committee's advice. That does not mean that we should wait until 2018, 2019 or 2020 to do something about an emissions standard or a limit on generation. We have to give signals that we intend to take such action right now—as early as possible. In fact, the Committee is even more specific about that later in its report, when it says:

"It is likely that there will be a period where CCS is deemed viable but where the carbon price is insufficiently high to cover the CCS cost penalty. In these circumstances, a successor support mechanism would be required. An early signal that such a mechanism would be introduced as appropriate should be provided to reduce risks for investors in the first set of partially fitted CCS plants."

That does not mean an early signal once we have discovered that it is too late; it means an early signal now.

Joan Ruddock: The hon. Gentleman clearly misunderstands the committee's report. It has argued that we need to indicate that we will be prepared to use the mechanism for retrofitting; we have done exactly that and it is in this Bill. We have responded precisely to what the committee said. If he reads the whole report, he will see that it speaks of the need for the review to conclude in around 2020. Our review will conclude two years earlier and also contains the interim reporting stages in new clause 8.

Martin Horwood: I am sorry to disagree with the Minister, but I do not think that that clear signal is being given at the moment. In answer to the hon. Member for Wealden, the Minister talked about how an emissions performance standard might undermine the whole investment market, and the hon. Gentleman gave a very good response to that point—*[Interruption.]* I do give credit to Conservative Front Benchers occasionally. They know about business and investment, if nothing else—[HON. MEMBERS: "Oh!"] I withdraw that uncharitable remark. We need those early signals now in order to create the investment framework. The truth is that businesses respond to clear long-term signals. The investment decisions in CCS have to be made now, and they are being made all over the world.

John Robertson: I do not know whether I necessarily agree that the Conservatives understand business. They certainly do not understand the CBI, which seems to know a bit more about this issue. How many research and development projects set themselves interim targets? It is a gradual slope up towards—we hope—100 per cent. sequestration. Putting targets in could hinder development and put companies off research and development, as the CBI has pointed out. That does not mean that if the Government—

Dr. Desmond Turner *rose*—

Martin Horwood: I am sorry, but I cannot keep taking interventions. I must at least reply to the point made by the hon. Member for Glasgow, North-West (John Robertson).

That does not mean that if the frameworks and signals are given by the Government and regulation, businesses will not respond to them. No business wants to be constrained, but when constraints are set clearly and well in advance, they will respond.

John Robertson: Will the hon. Gentleman give way?

3.30 pm

Martin Horwood: I am sorry, but I need to make some progress.

There are signals from other sources that the current market arrangements are insufficient. We have the European emissions trading scheme. The Environmental Audit Committee, on which I sit, commissioned—well, requested—an important report from the National Audit Office, which reported last March. It stated:

"The range of uncertainties associated with Phase III"—

of the ETS—

"means that no forward price for Phase III allowances has been established. It is through establishing a long-term stable carbon market with forward prices that the EU ETS should incentivise long-term investment in low carbon technologies. Until this is created the EU ETS is unlikely to be demonstrably achieving its objectives."

It concluded:

"The absence of long-term carbon price signals has a particular effect on some key sectors, such as the power sector, because of the long asset lives associated with new investments."

We even have academic support.

Dr. Desmond Turner *rose*—

Martin Horwood: I happily give way to a fellow member of the Environmental Audit Committee.

Dr. Turner: There is one flaw in the argument about the signals for investment that an EPS can provide. If we are worried that too strict an EPS will disincentivise investment, surely to incentivise investment, it would have to be a very lax EPS, which will get us nowhere.

Martin Horwood: I hate to say it, but I think that the hon. Gentleman is misunderstanding how a market works. Constraints can drive investment in different directions. That is the whole basis of the idea behind a carbon price and an ETS. A counter example is what happened in Norway, which, not having our opportunity to be part of an ETS and to have an EPS, introduced a different incentive—a carbon tax. The result was not to stop investment in those technologies, but actually to drive investment, and it has put Statoil—the Norwegian energy company—at the absolute forefront of those technologies worldwide.

I would like to mention a fantastic institution situated close to my constituency. The International Energy Agency greenhouse gas research and development programme, based at Stoke Orchard near Cheltenham, has credited that carbon tax and those price signals with driving investment by private industry, including Statoil and others, in these technologies, and with putting Statoil and others at the forefront of that technology.

Dr. Whitehead: Does the hon. Gentleman accept that investment decisions are not just about whether we build new things, but about whether we keep existing things open? Does he also accept that after 2015-16, about 10 coal-fired power plants will continue to operate on the basis of fitting scrubbers to their chimneys under the large plant directive? We ought to ask whether those plants should continue to exist abated in the 2020s. Does he consider that they are necessary to balance the system, or does he think that they should close immediately after 2015-16? Furthermore, does he believe that a three-year review, at the time when those decisions to close or open are being made, might be the best method of ensuring that those plants know that they are going towards carbon sequestration and that they can stay open for a time as marginal suppliers in order to balance out the system and keep that new investment coming in?

Martin Horwood: I might have lost track of some of the questions in that intervention, but broadly speaking I think that the hon. Gentleman is absolutely right—he is expert on these issues. Retrofitting and the attitude to the maintenance of existing plant are obviously critical, and the signals sent by proposals for an EPS would be important in achieving that. The flaw in the Government's position, and in the Minister's constant use of words such as "aim" and "expectation", is that they do not give that concrete signal. They give the encouragement to investors that they might be able to exploit the loophole, whereas the Committee on Climate Change has made very clear its expectation, and has advised the Government, that unabated coal power should form almost no part of our energy generation after the 2020s, regardless of whether CCS is economic or not.

Joan Ruddock: I have made it absolutely clear today that we agree with the independent Committee on Climate Change. That is a fact. We are giving the clearest signal to industry that we will provide an investment framework that will enable it to invest in a way that can be profitable, but is at the same time carbon constrained. That is the best framework that exists in the world, and it is the only financial mechanism being provided in the world to achieve that. I cannot think of anything better, or that could provide greater certainty, to offer industry.

Martin Horwood: Except that we have a range of options based on emissions performance standards that absolutely would give greater certainty. Earlier the Minister asked for one example of a business that was asking for such certainty, and I can give her that example: Progressive Energy, one of the major investors in carbon capture and storage technology. Progressive Energy says:

> "It would be extremely unwise to rely on the carbon signals coming from the Emissions Trading Scheme to ensure that investment is made to limit CO_2 emissions from coal generating plant...an EPS has real value in providing a market signal against which investment decisions can be made."

If not an emissions performance standard, what is the Government's suggestion for something concrete that we can put in the Bill? We have had no alternative suggestion, and now we have a range of new clauses. The Government's new clause 8 is a welcome response to the pressure that they have been put under on the issue, but it is all about reporting, and not about actually doing something. We have a range of new clauses, from the Conservatives, from the Liberal Democrats and from the hon. Member for Nottingham, South (Alan Simpson). They have been criticised in turn, for being too specific or not specific enough, but surely one of them must be acceptable to the Government as a way forward.

Mr. Binley: May I take the hon. Gentleman back a little? Has he talked to industry about investment in this area? If so, will he tell us who he has talked to and what they said?

Martin Horwood: I have lost count of the number of private companies that I have talked to in my role as shadow Environment Minister for the Liberal Democrats. I have talked to and been in correspondence with a considerable number of companies, including Progressive Energy, as well as with many academics and many people in business. As an officer of the all-party group on corporate responsibility, I meet private companies all the time. However, as I said before, my experience in business is that business sectors rarely set out to have themselves regulated and constrained more—that is simply not how business works—but they will respond to those regulations and constraints, albeit only when they are given clearly. As the hon. Gentleman's hon. Friend the Member for Wealden said eloquently from the Conservative Front Bench, only when those signals are given clearly and unambiguously will business respond adequately.

Mr. Binley: Let me ask the hon. Gentleman to answer my question again, bearing in mind that my Front-Bench colleague gave an answer to it, and that I know that he has spoken to those in industry, and also what they have said.

Martin Horwood: I do not think that that refutes my point—that businesses never set out to regulate themselves—but anyway, we have been round that course at least three times, so let us move on.

[Martin Horwood]

New clause 25 is the most robust and specific of the three new clauses on offer. It would make it absolutely clear that an EPS must be introduced, and it would set a clear target of 75 per cent. for emissions captured, compared with the equivalent had CCS not been fitted.

Colin Challen: Will the hon. Gentleman give way?

Martin Horwood: I will give way for the last time, because I really ought to leave time for other Members to make speeches.

Colin Challen: I have a short question. I just want to know what the basis for that calculation is. How does it tie in with the carbon budgets and all the other things that we are doing?

Martin Horwood: That calculation is realistic, given that the current technologies in many places are already delivering about 85 per cent. capture. Indeed, we discussed a proposal in Committee for a target of 90 per cent. capture. That was not supported, so we are trimming a little and trying to see at what level we can command support from the Government. The calculation is led by the science, yet it is an acceptance that we are perhaps having to moderate our ambitions a little, but—*[Interruption.]* Sorry, it was the Environmental Audit Committee, of which the hon. Gentleman is a fellow member, that advocated an emissions performance standard of around 90 per cent. We are going below that, which is the very least that the science demands—and indeed, the level would be increased in time.

Rather less robust is new clause 6, tabled by the hon. Member for Nottingham, South, which we on the Liberal Democrat Benches are perfectly happy to support. Equally, it would mandate an emissions performance standard, but rather less specifically. Then we have the most flexible proposal, or the weakest, depending on one's point of view: new clause 15, which has the virtue of being supported by those on the Conservative Front Bench. Compromising on compromise, we are equally happy to support that, too, if it is the best that we can get today.

There is clearly some opposition to an emissions performance standard. E.ON has provided us with a helpful brief, which says:

"from our perspective as an investor in new generating capacity…an EPS creates new risks which will substantially increase the discount rates we apply to new investments, and ultimately determine whether we proceed with an investment or not."

That is quite a mild rebuttal. It does not say that it will not proceed; that would be foolish, of course, as its investors would query whether it was sensible. E.ON also says in its brief that it recognises that an emissions performance standard can have a useful role in defining what individual new fossil plants will have to achieve in terms of CO_2 abatement.

I have already cited Statoil in Norway, which has invested in the Sleipner project, as well as in the Algerian project at In Salah, and in Snøhvit. That has all been driven by the market intervention of the Norwegian carbon tax. Other economic incentives have driven investment in other parts of the world, including the potential for enhanced oil recovery in some places. That is clearly not happening in this country, however.

A further reason for the Government to clarify the situation is the legal uncertainty to which my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) referred in Committee. This relates to the European Union's view on whether an emissions performance standard would even be legal. I want to refer to the report by the legal organisation Client Earth, which outlines a scenario in which we hesitate and do not place the position beyond doubt in law, thereby ending up in a situation in which

"the post-combustion CCS demonstration project is deemed …to be 'not on track'".

In such a case, a subsequent emissions performance standard would become highly controversial. The energy companies could then take the British Government to law to challenge the legality of any UK CO_2 emissions performance standard.

Client Earth does not think that the standard would be unlawful but states that it is

"concerned that the European Commission has proposed an amendment to the definition of 'permit' in Directive 2008/1/EC (the IPPC Directive) as part of a process to recast the IPPC Directive that is currently going through the European Parliament. The European Commission's proposed amendment, although categorised by the European Commission as minor, could remove the ability of the UK to introduce the CO_2 EPS. The UK should take all steps to resist the European Commission's proposed amendment and ensure that the scopes of the IPPC Directive and Directive 2003/87/EC (the EU ETS Directive) remain mutually exclusive."

It concludes:

"To resolve this legal uncertainty the UK should now amend the Energy Bill currently going through Parliament to include a UK CO_2 EPS and notify the European Commission of its intention to rely upon Article 193 of the TFEU".

which I think is the Lisbon treaty. I realise that the very mention of the Lisbon treaty could cause apoplexy on the Conservative Benches, but it might be coming to our aid in this particular instance, because it should force the Government to resolve the legal issue.

In Committee, and today, the Minister of State made some quite alarming responses, implying that no action was likely in connection with introducing an emissions performance standard, even as a fallback, until after 2018. I would be grateful if she could confirm whether the Government intend to introduce such a standard at any stage before that. This kind of uncertainty creates other risks, and I want to ask her another specific question. How secure is the funding even for the competition project? Let us imagine for a moment that the Labour Government are re-elected and enjoy another Parliament in power. In those circumstances, how secure would the investment in this project be, if the Treasury were to say, "Actually, the rest of the world is so far ahead of us now that it isn't worth our while spending this money in the UK. We'll simply end up buying Chinese technology." Would the Minister care to intervene on me?

Joan Ruddock: I would be happy to accept the hon. Gentleman's invitation. The information on the competition will be available to Members a short time from now. There is no question about the funding, because it is part of the levy system. We have made it absolutely clear that the new levy arrangements will cover the winner of the competition. In addition, there will be another three carbon capture projects on coal-fired stations.

Martin Horwood: I notice that the Minister has not replied to my first question.

Joan Ruddock: The truth is that I said repeatedly in my earlier remarks that the reporting regime would begin with a report no later than in 2012, then again in 2015 and once again in 2018. If the hon. Gentleman read the clause, he would see that that if a conclusion were reached—based on all the considerations that he wants to be taken into account at each stage and on advice from bodies such as the Climate Change Committee—that we were not making sufficient progress, so CCS would not provide the answer to our decarbonisation goals, it would of course be possible to consider an emissions performance standard at any point. I stress again that the Climate Change Committee has itself said that the EPS is but one of four measures that it believes might appropriately be taken if CCS were not successful. That is why we have a rolling review—to make that judgment.

Martin Horwood: I have to say that that is one of the vaguest and most non-committal statements that we could expect to be made. Let me quote once again one of my favourite sources, the International Energy Agency greenhouse gas programme. Its report on worldwide investment supports the view already expressed that the rest of the planet is getting on with this. It says:

"Considerable work on CCS is being conducted throughout the world and these efforts are growing rapidly. Many scientists, engineers and geologists are now devoting their efforts to all aspects of CCS."

It also says:

"The Canadian province of Alberta alone is planning to spend C$2 billion on new CCS projects. The Australian government has established its low-emissions coal initiative with funding of AU$500 million and has announced an international carbon capture institute funded at AU$100 million. Together, these and other countries are funding a diverse array of projects on every aspect of CCS and this funding is expected to grow."

The Minister asked about capture as well as storage projects. The three fully operational large-scale projects that I mentioned have storage—they include capture, of course, because carbon cannot be stored without having been captured—but while it is true that they do not capture from coal-fired generating power stations, they include capture from mixtures of gases from industrial processes.

The IEA report includes a list of dozens of projects worldwide—dozens of storage projects, but also dozens of capture projects. The truth is that more progress is being made in Norway, the United States, China, Brazil, Canada, Australia and Algeria on projects that include not only capture and storage, but transportation as well. Long pipelines are already in place and there is huge investment. The reason for it is obvious—that the prize of developing successful commercial-scale carbon capture and storage for coal-fired power stations will be fantastic. It presents a wonderful opportunity and for whichever countries or companies crack it, unbelievable numbers of jobs and revenue will follow from the successful exploitation of these technologies. While we hesitate, the reality is, sadly, that we may have missed the boat, so we will end up buying in this technology from China or the United States, which will cost the UK economy even more, because we will be expensively retrofitting something that we have not developed ourselves.

That is the unfortunate scenario that we face. We have been here before on renewable energy: despite this country's massive resources, we have ended up being overtaken by many other countries. We should have had a natural advantage in carbon capture and storage because of the North sea and its related oil and gas technology, but we are in danger of squandering it. The amending provisions offer an opportunity to try to catch up.

Joan Ruddock: The hon. Gentleman knows that my argument is that those same amending provisions totally undermine the investment programme that we have set out. I remind him that no other country in the world has a statutory funding mechanism, as is proposed in the Bill. He mentions various projects, but I do not believe that a single one of them includes capture, transportation and storage all within the same project on the scale that we envisage—capturing from coal-fired generation. He will not find a single example that combines all those elements, or a single example of a statutory funding package. He quotes the billions of pounds of investment, so I remind him that we are looking here at a potential of £9.5 billion being raised through the levy mechanism. That is an unprecedented amount—again, not found anywhere else in the world.

Martin Horwood: When we are discussing an investment designed to achieve a certain goal, it is easy enough to say that it is impossible to produce any examples of anyone anywhere in the world who has achieved that goal. The truth is, however, that there are dozens of capture projects—some relating to coal, some to gas, and some to other industrial processes—dozens of storage projects, and hundreds of miles of pipeline. All the individual technologies are being developed. Of course it is true that we have not yet achieved the goal for which everyone is aiming—that is rather self-evident—but every other Government in the world have provided much more encouragement, which is why those projects are all up and running.

Paddy Tipping: Notwithstanding all his bluster, can the hon. Gentleman name a single coal capture station project in the world that has been completed?

Martin Horwood: Let me again cite the IEA greenhouse gas R & D programme. The hon. Gentleman will have to forgive my pronunciation, but coal-related CCS projects include Cato/Castor/Brindisi, Ciuden, Calide, Mountaineer—I have to say that I do not know the locations of all these—ZeroGen Phase 1, Boundary Dam, Stanwell, FutureGen, GreenGen Phase 1, ZeroGen Phase 2 and Nordylland, which I think is Norwegian. The UK competition is also mentioned.

There are, in fact, plenty of projects around the world trying to exploit that technology. Of course it is true that we have not yet developed fully fledged commercial-scale capture of carbon from a coal-fired power station. That is what we are all trying to work towards, and we would not be having this debate if it had already been achieved. I think that this is a rather tortuous and superfluous argument.

The opportunity exists for a clear signal to be given to markets and investors in the United Kingdom, which would avoid the scenario that I have described, in which we end up buying the technology from abroad, and ultimately costing the UK economy more.

Paddy Tipping *rose—*

Martin Horwood: I am sorry, but I will not give way again. I have already given way many times; I have been very tolerant.

Let me briefly commend amendment 1. It is clearly nonsensical to impose a levy designed to combat carbon emissions on technologies that do not produce any carbon emissions. The Minister has tried to mount a defence of the imposition of a levy on renewable technologies as well, but that would have a serious consequence. At the margin—and some renewable technologies are at the margin of viability; investment decisions may hang on fine financial judgments—the imposition of such a levy could stop renewable energy projects proceeding. I urge the Minister to reconsider her attitude to the amendment.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The Front-Bench speeches have taken just over an hour and a half, and we are still dealing with the first group of amendments. We have barely two hours left for consideration of the remaining amendments. I cannot comment on that; it is not my job to interfere in a rattling good debate, and I realise that Front Benchers have been provoked by interventions, which is always a feature of good-quality debate. Nevertheless, Back Benchers might try to be a little more concise so that we can enable every Member to speak, and make some progress.

Alan Simpson (Nottingham, South) (Lab): I intend to speak primarily about new clauses 6, 15 and 25. I shall seek to press new clause 15 to a vote at the end of the debate.

I do not think that the issue is the detail of what is or is not in an emissions performance standard. The question is whether or not we want a regulated energy market. Although my personal preference was for the clarity of new clause 6, I think that new clause 15 is capable of commanding the most support and consensus. Certainly the groups with whom we have worked outside the House have been happy with us to proceed with it on that basis.

I want to distance myself philosophically from a number of the comments that have been made about the need to make progress before setting standards. We would not be at all happy if someone trying to sell a house told us that it was foundation-ready. We have moved beyond the stage of messing around. All the great global controversies have arisen when people have proceeded with developments willy-nilly only to ask when catastrophe has struck, "Why were there no clear foundations to what they thought they were doing?" The people responsible should be imprisoned for allowing such developments to go ahead.

It seems almost nonsensical to me that we are having this debate. Every one of us could walk out of the Chamber today and on to the high street and buy a fridge or a freezer, and we would expect to know its energy rating. When people buy houses now, they expect to know the property's energy performance rating. We are saying in advance that post-2016 all new housing will be of eco-housing standard, so we stack standards ahead of the game—we define the game.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Will the hon. Gentleman give way?

Alan Simpson: Let me finish my little opening rant first.

In response to those who say that setting standards would somehow deter investment, I would refer to a fascinating seminar held this morning by the all-party group on social science and policy. It was addressed by the head of Deutsche Bank's global climate change research unit, who said that if we put together transparency, certainty and longevity, we provide what investors are looking for. He went on to say that investors in renewable energy ought to be differentiated from energy companies. And it is worth noting that many energy companies have said, "We don't like transparency. We like to do deals behind closed doors. That is how we can get the greatest arm-lock to lever resources out of Governments, taxpayers or customers."

Transparency is not the flavour of the month for existing energy companies, so it does not surprise me that they would not welcome the introduction of an emissions performance standard. For everyone else, however, from citizens to Government to investors, it is a no-brainer that that is a good idea. That is why we should address this issue within a framework that requires the Government of the day to come back within a 12-month period with a scheme that sets out the details of where we go from wherever we are, so that this would not be the end of the game.

The people from Deutsche Bank said to us this morning, "Look at the object lessons to be learned from Germany, where the introduction of feed-in tariffs has been followed by a series of reviews. That has happened because the regulatory framework drove the agenda for change." It drove the investments and innovation processes, and that is why they were able to go through a series of review processes that pushed way ahead of where the initial framework had envisaged that they could get to when they started out.

It seems to me that we get in a panic about power stations. The reason for that might be that when the energy sector was deregulated we gave it the powers to create the current oligopoly, which sees itself as beyond public control and accountability.

Sir Robert Smith: The hon. Gentleman's little rant has reminded me of a point that was made to me by people working in the refrigeration industry. Regulation to ban chlorofluorocarbons because of the damage to the ozone layer was introduced before the industry came up with the solution. It was driven to find a solution because regulation was already in place.

Alan Simpson: Absolutely, and we could broaden that point. The same sort of debate took place in California when the state wanted to introduce tighter controls on emissions from vehicles. At the time, the motor industry said, "This will kill the industry. There will be no new investment," but California had the courage to say, "Get lost. If you want to be a player on our roads, you've got to play by the standards we set."

I remember days during my childhood when schools were closed because of pea-soup fogs, and we all had to walk home because the buses were cancelled. Fortunately, the Government of the day introduced clean air Acts. They did not introduce tradeable breathing quotas, or personal soot allowances; they introduced clean air legislation that told industry that it had to clean up its act.

4 pm

Colin Challen: I am thoroughly enjoying this rant. My hon. Friend may wish to cite examples of established technologies to aid his argument, but what he proposes is not really the way to do it. Where were the standards governing fridges when they were first introduced around the time of, or just after, the first world war? Standards develop, because they must react to what we find. We cannot say that projects should have to be subject to standards when we do not yet know whether these things will even work.

Alan Simpson: No, the truth is that we must accept that we have what we have today; we cannot turn the technology clock back and we will have to work out how we deal with retrofitting and setting performance standards for the running of what we have. A range of low-carbon, hybrid vehicles are on the market and we accept that that is the new standard. We also accept that older vehicles have to have an annual MOT which sets a standard defining what is roadworthy.

This new clause puts a duty on the House—it is not a permission—to introduce a standards framework. What should or should not be in that framework and the different levels at which the standards should be applied to existing plant and new types of plant should be argued out within the year of that process. The House should not allow itself to get distracted by trying to anticipate those details ahead of the time period that is supposed to be set aside for that process.

In summary, the new clause provides for the introduction of a framework of emissions performance standards that will apply to all new power stations; sets out a clear timetable; acknowledges that decisions need to be based on a recognition of the advice that comes from the Committee on Climate Change; and provides for account to be taken of the impact of any policy changes on energy prices and energy security. All those things were built in to try to incorporate a recognition of concerns that were raised by Ministers and by the industry in response to the initial consultation.

Dr. Whitehead: I, too, am greatly enjoying my hon. Friend's presentation. If it is his intention that new clause 15 replace new clause 8—I presume that it would do were it to be passed by this House—an emissions performance standard would apply only to "new electricity generation plant." That is what new clause 15 states, but that provision was not in his original proposal. Does he, thus, accept that existing generation plants would be unabated and move into the 2020s with no emissions performance standard applying to them whatever?

Alan Simpson: That was one of my misgivings about the compromise that we reached on new clause 15—I always say to people that I am permanently undone by my excess of reasonableness. It would have been better had we stuck to new clause 6, but in order to get something through that commits us to a statutory framework, I can live with the notion—and so can groups outside this place—that we can work within what we have in new clause 15 and come back, as we will have to do, to address how we retrofit what already exists.

I wish to run through the arguments that have been floated against the proposal. The biggest scare story has been that any standards framework will deter new investment. It was helpful to hear Deutsche Bank trashing that this morning. It made the point that when energy companies talk about new investment they will invariably come to the banks to raise the finance and it is the banks that are saying that they want TLC—transparency, longevity and certainty. That is the framework that they see as helpful in setting an emissions performance standard.

The issue about investment being driven elsewhere has been raised. Probably the best example from our shores that I can cite is the decision made by the company formed by BP and Rio Tinto—this relates to the projects of their hydrogen energy company. The original proposal was to build a power station in Peterhead, Scotland, but that was withdrawn and the decision was taken to build the power station in California, where a requirement for an emissions performance standard is already in place. The company was saying to us that if the combination of finance and regulation is put in place, that delivers the certainty that allows investors to invest. It seems nonsensical to claim that to have standards would deter investment rather than the contrary, which is that it would give the certainty to investment that investors are looking for.

Mr. Weir: Is there not another issue? The Minister has said that the difference for investment in this country is that £9.5 billion will be available through the levy that is not available elsewhere. That is a powerful incentive for big companies that want to build carbon capture and storage and show that it can work—and then, perhaps, take advantage of that elsewhere in the world.

Alan Simpson: That is exactly the point. As the right hon. Member for Wokingham (Mr. Redwood) said earlier, if the Government are making a commitment on such a scale—£9.5 billion-worth of investment support—why are we not placing performance conditions on the sector? It seems to me that if we take one step back and address the performance of the sector to date, what we have is another example of chronic market failure and a sector that is being driven by short-term calculations. As my right hon. Friend the Secretary of State said on "Channel 4 News" just a week or so ago, the profit margins that are now being enjoyed by the energy sector are at—I think that these were his words—"pretty much record levels."

When such largesse is being handed out, why on earth are we afraid to place conditions on it so that the outcomes for the UK economy and the UK environment are massively and substantially enhanced? The Government should be willing to place conditions on how we support industry rather than throwing money out of the window in the hope that those companies that have held the country in this arm-lock will behave differently from how they have behaved in the past. Many in the sector are already arguing that to set conditions would be a technology driver and would force the pace of innovation and change. We should not be afraid to address that.

The second argument against the introduction of EPS is that CCS is somehow the answer. CCS will be applied to four pilot projects. My hon. Friend the Member for Sherwood (Paddy Tipping) was right to say that it might have great potential, but it also carries huge uncertainties. I am not certain whether I believe that it can deliver, but, at this stage, it is an unavoidable gamble that we have to take. However, we need a plan B.

[Alan Simpson]

To say that somehow standards of performance run counter to that process, rather than reinforcing the urgency of the upward trend, is to miss the point completely and surrenders to the notion that we are held hostage to an ever increasing set of demands for public or customer finance to try to make something work when it might well not. This is an extra safety net rather than an obstacle on the road to progress.

Paddy Tipping: I am delighted that we agree on something. Will my hon. Friend concede that we are not clear not only about the technology and about whether it can work—the hon. Member for Cheltenham (Martin Horwood) did not give us an example of a coal project that was working anywhere in the world—but, more importantly, about the economics of carbon capture and storage? Until we can develop and refine that, it is premature to introduce emissions performance standards. We need the learning from CCS before we introduce an EPS.

Alan Simpson: That is quite wrong. We have to say that if someone is going to build a new coal-fired power station they should, in any case, expect to set an emissions performance standard for that station. What is done in CCS should be an enhancement of that. We cannot say that we should build anything that does not have an emissions performance attached to it now. That seems crazy. How can we set ourselves national targets if we begin from a presumption that we are not going to measure anything? That is why we should have the courage to set for ourselves an emissions performance standard.

I concede that the only project that I have been able to find is one that has not been mentioned; it is in the United States. An American Electric Power company CCS retrofit project in West Virginia has so far been able to capture carbon at a rate of 1 per cent., but it hopes to raise that level to 7 per cent. That is a salutary measure of both the starting point and the extent of the road ahead of us. Having said that, I return to the point that this gamble is unavoidable: we have to take it, but we should not do so without setting safety-net standards in relation to power stations having CCS.

Mr. Willis: Does the hon. Gentleman agree that we have been down this road before with sulphur dioxide? There was a belief that we could not collect sulphur dioxide from our coal-fired power stations, but we set a standard and made it an expectation. Stations were then retrofitted, and those that could not be retrofitted were closed. This is a similar road, so it is not as though we have not been here before.

Alan Simpson: Absolutely. That is precisely the point that the Climate Change Committee made to us: we need a step change in our thinking that engages with the transformation of what we have, while making a shift to what we need for a more sustainable future. This is a time to be brave and interventionist. My biggest disappointment in this regard is about the argument that is used against us—that we should leave everything to the emissions trading scheme. For a start, the Climate Change Committee has specifically said that it does not believe that it would deliver. All the evidence suggests that the scheme, which has been a monumental failure so far, has become a cheats' charter. In the pre-conferences before Copenhagen, many of our new EU partners were deeply resistant to strengthening carbon-reduction commitments and emissions trading. I fear that the system will turn into a carbon casino which will end up benefiting no one except those who speculate on carbon price changes. That is why the House has nothing to lose and everything to gain from committing itself to the introduction of an emissions performance standard.

My greatest worry is about Parliament and the Government being afraid to take that stance. If we continue to rely on a market for which we have aspirations, aims, ambitions and bundles of encouragement, but precious little to show that any real market transformation is taking place, then all we are doing is playing into the hands of the climate change protestors who believe that the Government of the day have lost the will to tackle the transformation agenda now—not at some stage in the future when we have passed the tipping points of climate change.

For those who say that the public have to step in and challenge unacceptable levels of pollution, that case is reinforced when we, as a Government, refuse to set any limit on how low the standards can go. If my amendment were made, the Government could set standards that were low enough for the industry to fall over, but I hope that if they did so they would be rebuked by the House and the country. I hope that having a debate on this and having an obligation will fire in us the courage to find the will to drive this agenda in ways that we have not been doing.

I think that this evening's vote will not necessarily be divided between left and right, between Tory and Labour or between Lib Dems and nationalists. People outside the House will see the debate as one that divides the vertebrate from the invertebrate. I want a Parliament that is unafraid to do some bullying of the big guys in the playground who terrorise the lives of ordinary citizens and energy consumers. I want us to tackle those bullies, rather than the small kids in the corner. If the House had the courage to do that, I think that the public would rise up and give us a huge cheer. It may be one of the few we ever get.

4.15 pm

Mr. Redwood: The hon. Member for Nottingham, South (Alan Simpson) has made a spirited contribution. I feel equally passionate about a subject that needs more prominence in this debate—how we keep the lights on.

So far, the debate has generated a bit of heat and very little light. The danger of the way that the policy is drifting under this Government is that we may end up with a perfect regulatory system in due course, were they to stay in office, but that we will have no power stations to produce the power that we need and on the scale that we need. That will be because so many will have been retired for one reason or another—nuclear stations for technical reasons, and coal-fired stations for emissions reasons.

When I come to judge this interesting debate, I will have in mind a central question: that is, which amendment would help us to get to an answer more quickly on the provision of more capacity? Surely it is more capacity, above all else, that we need to put in the front of our minds today, so that we do not end up switching off the lights.

Of course, Energy Ministers past, present and future will tell us great things about CCS, new technologies and exciting opportunities. However, I think that any present or prospective Energy Minister will agree with me that the one thing that the Government really must not let happen on their watch—or on the watch of their successor, because we will know whom to blame—is that the lights go out.

My hon. Friend the Member for Wealden (Charles Hendry) rightly said in his opening remarks that he was very exercised by the need to see projects and plans coming forward quite soon, to ensure that replacement power stations are available after 2015 and 2016, when the old coal and nuclear stations retire. He will be worried to hear that, when I came to the debate, I was genuinely open minded about the virtues and wisdom of the amendment that he wishes us to support this evening, should it be pressed to a vote, as it may well be.

However, I have listened carefully to the debate, and am persuaded that new clause 15, proposed by the hon. Member for Nottingham, South (Alan Simpson) and supported by the Conservative and Liberal Democrat Front Benches, does make sense. I believe that it would remove just a little bit of the uncertainty that is gripping the energy market in this country and preventing people from coming forward with the projects for the new gas, coal and nuclear stations—whatever they may be—that we desperately need if elderly people are to be kept warm in the winter.

We need those new stations if this country is to have the reasonably priced power that our industry will need to have a chance to compete, and if we are to keep the lights on in the House of Commons, which we hope in due course will be a place of enlightenment generally, providing the better policies and debate that will enable us to go forward to a better future. New clause 15 could provide the clarity that we need—it has been lacking over the last decade, under successive Energy Ministers—as to what kind of performance standards the Government expect, and how they will reward investors who meet the targets and penalise those who do not.

The Government are trying to suggest to us this afternoon that requiring them to set up targets and standards now will only delay matters more, but I do not see how they can possibly believe that. Given that all CCS projects rest on levy finance, subsidy and grant, any Government seeking value for public money will surely have to say what they expect from those projects.

It would be completely nutty for the Government to say to industry, "Here is a great pot of money. Go away and play, and we will like what you come up with."

Colin Challen: I thought that the right hon. Gentleman at one point in his career had something to do with deregulation. Now he is arguing for more regulation: is that really a convincing stance, or is it simply politically convenient for him to take it at the present time?

Mr. Redwood: The hon. Gentleman is right that I have consistently wanted far less regulation, that the Government have thrust upon us. I have been the co-author of a report that set out large quantities of regulation that I would love to see removed, which I think would make Britain a better place. But I have always believed that where the Government are up to their eyes in something, as they clearly are in carbon management—this is a Government project which only they can lead; the private sector is not going to do it, and it is something that the Government want to do—where the Government are leading such a project, it would be absurd for them not to say what they expect of people who are to receive public money.

I see the Minister nodding wisely in agreement. She will have to tell the industry exactly what she wishes it to deliver for the prospective amounts of grant and money that the Government intend to offer. Similarly, Ministers have had to start to set out, in conjunction with their partner Governments in Europe and on a global scale in environmental agreements, what they expect industry generally to hit by way of targets for their various carbon trading schemes and their penalty and tax schemes.

The Government have already done that for motorists. We know what our cars must deliver by way of various outputs from the exhaust, and different levels of tax are imposed, depending whether the Government disapprove a lot or a little of the particular vehicle that we have chosen to buy and to use. The Government cannot avoid doing something similar in respect of power generation, given that they wish to live in such a highly regulated world, with complicated systems of carbon trading and of levy, finance, grant, subsidy and altering market prices in order to achieve their aims of carbon management.

I do not see why the Minister is so adamant that the one thing that could get in the way at this stage is a requirement that she sets out what she is trying to achieve. My worry about new clause 15, which was supported by my hon. Friend the Member for Wealden and first inspired by the hon. Member for Nottingham, South, is that it delays everything further. I understand that there needs to be time to consider what the targets and objectives should be, but one would have hoped that after five or 10 years of endless debate about all this, the Government might now be able to share some figures with us so that we can inform our judgments. Leaving it another six months is another unwarranted delay.

I can see that the House recognises that the Government have not done their homework and are not yet prepared to come forward with any factual basis for giving us the kind of figures that industry needs for investment, so they need another six months. Most sensible investors would say, "Until we know what the terms of trade are, we can't respond to such initiatives." They will say, "We know we are going to live in a very rigged and organised market. We know that the Government are going to intervene massively in this market in all sorts of ways—penalties, subsidies and incentives," but until they know exactly what it means in pounds and pence for any given investment, they will surely be reluctant to come forward.

On such occasions Labour suddenly becomes an advocate of the free market, in a way. Labour Members look at me and say, "As somebody who supports freer markets, surely you understand that it is up to the market now to settle these issues. The market will decide how many new power stations we want, and which ones it is going to build." The Government misunderstand that that cannot happen in this case because the market is so managed, organised and regulated. If they wish to regulate a market to such an extent, they make themselves responsible for the results.

[Mr. Redwood]

If the Government regulate a market as much as they have already regulated it, they need to make clear the missing bits in the jigsaw in order for the private sector to be able to participate and to trade on sensible terms. It is the Government who will decide exactly how much money people make on any of these projects, because it is the Government setting the carbon levels, the emissions levels and so on and having a very big impact on the cost base, so if the Government wish to speed these things up, they have a duty to come forward now with some figures.

I asked the Minister in an intervention, which she kindly took, whether she could share with us some of the background figures that the Government must have on the relative costs of the different ways of generating power, both before and after all the Government interventions through penalties and subsidies. In order to come to an informed view on clean coal, we need to know how it is likely to compare in terms of costs and carbon output with alternatives, with gas and with the other technologies on offer.

After so many years of Green Papers, White Papers and energy policy debates, surely there must now be some understandable figures that can be shared with intelligent Members who want to discuss the issue seriously in order to establish some idea of the pecking order. I should welcome clean coal technology that worked quickly, based on British coal, because I am worried not just about the security of supply domestically and whether we have enough power stations, but about the security of supply of the raw material.

I do not like Britain being as dependent as it is on imported oil and gas, so any technology that moves us away from that dependency is welcome. I start with a prejudice in favour of coal-based power, but I need to know whether that is realistic. There must have been enough studies now to establish some idea of the subsidy, levy intervention and support that would be needed to make those putative technologies competitive. We could then make a better judgment about whether coal can carry on providing for our existing electricity output, which it does from the older stations; whether we are talking about an expansion, which might be welcome; or whether we are talking about a sharp reduction.

If we are talking about a sharp reduction, we must be precise about our regulatory structure for the gas-fired stations that we will need in order to provide the replacement capacity; and we must get on with the nuclear debate in order to find out whether nuclear power is a safe and economic way of filling the gap after 2020, because it clearly cannot do so in time for the gap that will emerge after 2016.

I am persuaded by my hon. Friend the Member for Wealden to support amendment 15, which he supports. It makes a statement to Ministers, but I, like its mover, the hon. Member for Nottingham, South, do not think that it is the definitive answer. I urge the Government to look again at what they can publish and make available, because if they do not do so I cannot see why people would want to come forward with investment projects. If we do not start investment projects now, we will find it very difficult to provide sufficient power at sensible prices after 2016 in order to keep our economy working.

Colin Challen: I congratulate my hon. Friend the Member for Nottingham, South (Alan Simpson) on his excellent work. Even if he does not get new clause 15, he will get new clause 8, and, although that may not be entirely what he wants, it is better than nothing, because it points to a future in which an EPS may emerge.

The Opposition Front Benchers have, to coin a phrase, something of the night about them. They have rather cynically taken up a populist cause, as they did with Heathrow runway three, while behind the scenes they support a massive expansion in carbon emissions—in that case, in aviation. This afternoon, they have not said anything at all about the level of the emissions performance standard, or how it would be applied and so on. We did not hear an alternative policy explaining how much more money might be invested in CCS to achieve an EPS. There is a lot to explain, but tomorrow's press will present the debate simply as a collection of invertebrates giving into Government bullying. It would be quite wrong to characterise the debate in that way, but the press will no doubt have their field day—fed by people from Conservative central office.

I support an EPS, but the question is about timing. The principle is correct, but the timing is of the essence. We have heard examples of where standards exist, but they are applied to existing technologies that we well understand and whose development we can predict. I am not sure that we know how CCS will develop and if, indeed, it will be successful. Indeed, I regret that the Minister was not able to define CCS, and I hope that we establish a definition, because without one we cannot establish a standard. Should CCS be defined as more than 50 per cent. carbon capture, more than 75 per cent. or 90 per cent? The Environmental Audit Committee said that 90 per cent. was the right level, and I agree.

A couple of years ago, several Labour Members visited a CCS pilot project in eastern Germany, close to the Polish border, at a place called Schwarze Pumpe, which might be on the list of stations that the hon. Member for Cheltenham (Martin Horwood) has. It is a coal-fired power station that produces millions of tonnes of emissions a year—not comparable to Drax, but pretty big—and its little pilot project captures 36,000 tonnes a year. That is state-of-the-art technology, so there is a big gap and a long way to go, and the issue is not just about the technology, but about the legality. Where do we put the stuff? It is okay to say that we can put it in the North sea, which has a huge capacity, but is it necessarily correct to do so? What are the legalities of storing something in these reservoirs for centuries? Who is responsible for them over time? Is that going to be included in, or excluded from, the standard?

4.30 pm

Martin Horwood: The hon. Gentleman raises an important issue. Does he accept, however, that there is plenty of scientific evidence that there is trillions of tonnes-worth of storage capacity around the world in various geological formations, which is a very safe way to store CO_2, in contrast to something such as radioactive nuclear waste, because in time it is absorbed by the rocks and aquifers?

Colin Challen: There is a great deal of truth in what the hon. Gentleman says. However, even with the small, state-of-the-art pilot project in Germany, people have to

be convinced about having the carbon under their land. It is not always out in the North sea, which sounds very nice and offshore, as if it will never come back and bite us. In storing something like that underground, one has to find the legal methods of doing it. All these things have a long way to go in development: this is new stuff, and new thinking is required.

The trouble with new clause 15 is its time scale. It starts off by saying,

"The Secretary of State may by regulation introduce"

an EPS, but then one turns over the page, where it says,

"The Secretary of State must set out his proposals for consultation within six months of the passage of this Act",

and that the whole thing has to be in place within 12 months. I do not know where "may" fits into that, as the Secretary of State is being told to do it within 12 months. It is unlikely that during those 12 months we would have acquired sufficient knowledge to have a standard. We could end up with a standard—my right hon. Friend the Member for Edinburgh, East (Dr. Strang) gave this away—that was very flexible. I would want a gold standard, not something that could be repeatedly raised and lowered like the tide according to where the science was at any given time.

Dr. Strang: That was not my intention. Obviously, we would have a whole year to work it out and, with all the advice that the Government put in, make a judgment. Let me add in passing that this is essentially about supporting coal, and we should not lose sight of the fact that a coal power station, for every gigawatt hour it produces, emits twice as much CO_2 as a gas-fired power station.

Colin Challen: I entirely accept the urgency of this. I want an EPS to be in place at some point in the not-too-distant future. New clause 8 would allow for that and, as the Minister has said, existing legislation permits it. We will have this standard when we better understand the technology, legalities, disposal, transport and all the rest of it, and I do not think that that can be established in 12 months.

Martin Horwood: This is hopelessly unambitious. The Norwegian projects at Sleipner and Snøhvit have been injecting 1.7 million tonnes of CO_2 a year since 1996. Many of these technologies are very well established, so we do not need to wait for a great deal longer before setting the standards.

Colin Challen: In that case, what has been amiss? Why does every country not have this standard right now, fully implemented, with 100 per cent. or 90 per cent. capture? The hon. Gentleman is talking about a different process, as I understand it. These might be emissions that are pumped back down to help to get oil out, or whatever—I do not know the exact circumstances. There are plenty of pointers to show that this technology may well work, and we are allowing up to 2020 or 2025 to see that it does. I am sure that by that time we will be able to get these standards in place.

I regret that I am unable to join my hon. Friend the Member for Nottingham, South in the Lobby. I support the EPS approach, but the time is not quite right to establish something that then will not become our flexible friend. The danger of setting the standard too low, as I suspect that it would be if we introduced it early, is that one would effectively give a permit to pollute further down the line when we found that the technology could go beyond the standard. At this stage, we have to accept new clause 8 and hope that through that mechanism we will get the progress that we want.

Mr. Binley: This has been a fascinating debate about whether we should have performance standards, and there is much at stake for this country and for my children and grandchildren. It is a pity that we have not spent more time talking about that, because in many respects their future well-being depends on the matter. We ought to put it into perspective a bit.

I have been working for a clean coal sector within our energy provision for quite a long time, and I have been disappointed by the progress in the House since I have been here. I must say, however, that the pace of progress has increased remarkably since the current Secretary of State has been in his position, and I am delighted that that is the case. I was disappointed that the CCS competition was not worked out in quite the efficient way I had hoped. To be fair, the Minister of State has admitted that, which I welcome. I also welcome the fact that the next three of the promised four projects in Britain's CCS programme will be undertaken under different criteria. There is an important learning curve, and we have grabbed it and taken it on board.

I shall briefly mention the technology involved. There are already more than 70 projects in existence throughout the world, and carbon storage has been well handled by BP in the middle of the Algerian desert for 13 years. Anyone who goes down to Sunbury to look at its centre where CCS is controlled and researched will be amazed by the progress that has been made, how much monitoring is undertaken and how safe the process is. I am worried for my grandchildren, not about leaks of carbon dioxide but that the power stations will cease to produce the energy that we need in this country. My right hon. Friend the Member for Wokingham (Mr. Redwood) said that too, although we come to different conclusions.

New clause 8 is particularly important. I am disappointed that the Minister decided to go for a three-year reporting term. I would prefer an annual report, not least because energy provision will be the most crucial and worrying area of activity, and one of the most doubtful, for our well-being and that of our children and grandchildren. The development of CCS in the next 10 years will be absolutely vital for the well-being of this country, which is why I would have hoped that we could return to it every year. There are many questions that we need to keep track of and find answers to.

The pace has picked up enormously, and in my view it will continue to do so. We will be hanging on the back of global development in CCS in the next 10 years, and we need to be as well informed as we possibly can be. That is why I urge the Minister, even at this late stage, to rethink the timing of reporting. I believe that we need an annual report.

I need to question the Minister also on the content of the report. I notice that subsection (2)(a) of new clause 8 states that the purpose of the report is an assessment of

"whether carbon capture and storage technology in generation of electricity on a commercial scale"

has been successfully demonstrated. "On a commercial scale" means that all three elements of CCS must have been demonstrated—taking the carbon from the generation

[Mr. Binley]

station, transporting it to the aquifer and shoving it down the aquifer. It also requires getting the coal in the first place, so we need to keep track of many issues with regard to CCS on a commercial scale. I ask the Minister whether a number of them will be included in what I hope will be the annual report to the House.

Of course we will need to talk about sites following the decision on the three projects that we hope to make progress on—a decision that we hope the Minister will make by the end of this year. As an aside, I was delighted to learn that she expects to make a decision quickly on the competition for the initial experiment and the first station. I hope that happens within weeks rather than months and I look forward to it.

Will the report include the concept of clusters, which is vital to this country and its people, who will want to know where the jobs and the power stations will be, and how we are going to plan such things in the years to come? There is also the issue of a pipeline network. The size of the pipeline is crucial. If we have a relatively small pipeline and a cluster thereafter, we might be unable to progress with further stations because the pipeline cannot take the carbon. That would clearly be crazy, so we need to think about the size of the pipeline and how the pipeline network will service the transportation of the carbon that we extract from the coal.

We need a real understanding of how we are going to shove the carbon down into the aquifers. There is no doubt that we are immensely well blessed with aquifers in the North sea, because we can not only create a global trade in storage, which will enhance Britain's income, but enhance the production of oil and gas. It is estimated that if we do that properly, we can get an extra 15 per cent. more oil out of the North sea, which is a prize worth grabbing when we are being told from certain quarters that our production will peak by 2015. We need to understand aquifers.

Longannet is talking with Shell about stuffing the carbon down into the aquifers, but we need more information, and to track the situation. In Sunbury, BP has worked on tracking the carbon using satellites, which is a most remarkable technology. Technology to work out the dispersal of the CO_2 underground in the aquifer, which is important, is also in place. We are behind not on technology but on putting the stuff together on a commercial scale of, say, 800 MW. That is what we are testing for—the technology is already there. Will the report also be about aquifers and the potential for Britain to sell aquifer space to other producers of CO_2? That business is growing quickly and dramatically throughout the world.

Mr. Willis: I am listening carefully to the hon. Gentleman. The Minister was right to say that the Bill tries to put three technologies together, which has not been done elsewhere, which we accept. However, in reality, the end bit—storage in aquifers in the North sea and elsewhere—is not in the gift of the Government but of oil and gas companies, which still own them. Does he share my concern that many aquifers will disappear quickly, because they will collapse, and that unless the Government, through the reporting mechanism, which is important, state how we are going to maintain them in the short term as well as the long term, we will lose an opportunity to be world leaders in storage as well as outcome?

4.45 pm

Mr. Binley: I fully appreciate the hon. Gentleman's knowledge in this field and his support for this project. We worked together in Committee, when that knowledge was very well displayed.

It is reckoned that about half the wells that are currently usable will have closed by 2015 unless we do something. That is an important date, because the issue is not only the ability to shove the stuff down the wells, but keeping it there. If wells are not maintained, they deteriorate very quickly, and once they are capped they become useless. We need to take that into account, and I wonder whether the report will do so.

I wish to stray a little on to the issue of coal communities, because the provision of coal is an important matter. British coal is a massive resource that we need to tap. We have 300 years or so of energy beneath our feet, which means energy security in sizeable abundance. I hope that the coal community aspect is a consideration for the Minister in terms of the report.

We should not forget the potential investment opportunities in an export industry that could retrofit some of the 20,000 coal-fired power stations that are capable of it. What a fantastic market that could be, if we could sell a product to those power stations worldwide. We know that a new coal-fired power station is opened every week in China at present, so there is massive potential, but we have to be in the market now. That is why we need investment, and I hope that the Minister will be able to tell us that that particular area of activity will be covered in the report.

I welcome the Government's approach to this issue. I believe that there is a general consensus across the House that we are proceeding to attempt to exploit a carbon-free resource that lies in abundance beneath our feet. If we do that successfully, quickly and properly, my children and my grandchildren will thank us. If all I ever do in this House is play a small part in that process, I will consider my time here successful. I congratulate the Minister on the Bill and I wish it Godspeed. I look forward to working with whoever is concerned with this issue in the years to come.

Paddy Tipping: I am with the right hon. Member for Wokingham (Mr. Redwood) on this. Like him, I want to see British coal burned cleanly. There are those who oppose the coal industry internationally, but I know that fossil fuels will be burned into the future. I am also with the hon. Member for Northampton, South (Mr. Binley), because he spelled out all the things we need to do to ensure that CCS works properly. We need to get demonstration plants up and running in this country very quickly.

I am aware of your strictures on time, Mr. Deputy Speaker, and I wish to speak from a local point of view. I represent a coalfield area, in which deep coal is still mined—and there is very little of that happening in this country now. Our miners are the most efficient in Europe. What stands in the way of progress in the future is not economics, but the environment. The big challenge ahead of us is to ensure that we can burn coal more quickly. If we can do that, the coalfield in Nottinghamshire will survive into the future.

I am delighted that the Secretary of State met representatives from Welbeck colliery last weekend, because although the colliery is mothballed at the moment, it

could reopen. It faces the task faced by the whole energy sector—that of attracting investment. The colliery needs an investment of £200 million and that money is not available on the market at the moment, because it is deemed too risky.

Mr. Willis: I totally support the idea that we should incentivise our coal industry, provided that we have the technology to clean up the carbon. I think that the whole House—by and large—agrees with that, but does the hon. Gentleman agree that there is a cruel deception in this issue? Much of our coalfield closed down because the foreign owners of our power stations could buy coal from Australia, Poland or Indonesia more cheaply than they could get it out of the mines in Nottinghamshire. What comfort has the hon. Gentleman had from the Minister that somehow British coal will be subsidised to enable the generators to use it?

Paddy Tipping: I do not think that there will be a subsidy on coal. It is clear that coal costs have been driven down, and will continue to be driven down into the future. Ultimately, that is clearly an issue about security of supply, which is the point made by the right hon. Member for Wokingham. In the future, all sources of energy will be in demand internationally, and we need to secure our base through British coal.

I want Welbeck colliery reopened, and reopened quickly. It would cost £200 million. Discussions are taking place with the European Investment Bank, which likes the project, but there are hurdles to be overcome, and the hurdle that it cannot jump at the moment is that which the EIB wants it to jump: coal from Welbeck should be burned cleanly. The issue for miners in Nottinghamshire, UK Coal and the Government is how we get there. After much discussion, the consensus is that very quickly we have to get a demonstration plant up and running in Nottinghamshire or Yorkshire where that coal can go to. The demonstration model, backed by the levy in the Bill, is the way to do that.

Like the hon. Member for Wealden (Charles Hendry), I spend a lot of time talking to energy providers, and it is clear to me that they are dependent on the new mechanism. It is also clear that they are most concerned about the introduction of an EPS. It is interesting that in this discussion no one has been clear about what the levels in the EPS are to be. People say, "It's going to happen within a year. We can define it within a year", but CCS will not be up and running within a year. Let us be absolutely clear about this: it will be five years, at least, before we know how to put that technology together.

Like the hon. Member for Northampton, South, I know that we can put the technology together, but I am not clear about the future costs. The perception is that the cost of burning coal, with CCS on top of it, will be 10 per cent. greater than for present conventional mechanisms. We need to get the experience and to demonstrate not just the one project, but the four that have been mentioned. It is clear, therefore, that we have to make progress quickly, and I am delighted with the acceleration that has taken place within the new ministerial team, on this issue, at the new Department.

Martin Horwood: Obviously, as we have discussed at length, there is no existing large-scale CCS on a coal-fired power-generating station, but there is a wealth of experience on the cost of this technology, because, as various Members have said, it has been around for a long time. The IEA greenhouse gas project has a wealth of data on the economics of CCS. It ranges from that which is commercial now—for instance, where there is advanced oil recovery, where storage is right next to the plant and on particular types of recovery—right through to that which is quite expensive, very distant from the aquifer and so on. That experience and those data are already readily available.

Paddy Tipping: I take that point, and I am delighted that the hon. Gentleman has acknowledged at last that there is no large demonstration coal plant anywhere in the world—it has taken us all afternoon to get there, but finally he has admitted it.

Martin Horwood: That is not what I said. There already are demonstration projects, including Schwarze Pumpe and another one in China, but there is not one on a commercial scale for an existing power station.

Mr. Deputy Speaker: Order. May I say that the amount of time left is diminishing? Perhaps the hon. Member for Cheltenham (Martin Horwood) could ration himself a little more.

Paddy Tipping: I will check the hon. Gentleman's words on the record, but for now I am delighted that he has accepted that there is no commercial plant dependent on coal anywhere in the world.

We have to demonstrate that we can achieve that here, and the way to do that is through the mechanisms that my hon. Friend the Minister spelled out at the beginning of this debate. We have taken the trick: we have got the way forward, but we need to back it. It is no good talking about trying to define an EPS into the future, because we do not have the knowledge to do it now. Let me tell my hon. Friends that this debate is not between vertebrates and invertebrates; it is between those of us who are progressive and reformist, and those who are absolutist. The history is clear: in the end, reformists always win the day. And let me say this to my hon. Friend the Minister: please go forward quickly.

Mr. Weir: I am pleased to follow the hon. Member for Sherwood (Paddy Tipping). I agreed with much of what he said, but I will be supporting the EPS. I do not consider myself to be a vertebrate or whatever—I am a very cautious person—but we need to pin things down.

In introducing this debate the Minister talked about the need to decarbonise the energy supply. I do not think that anybody in the House would disagree with that. I agree entirely that we have got to get CCS to work. Coal and gas are important to our current energy supply and are likely to remain so for the foreseeable future, so CCS is vital. Indeed, I am pleased to see that there will be a change, with gas perhaps being allowed later. However, if we are to persuade people of the need to pay for CCS, we will have to show results.

Much has been said about investment today. The CBI has sent me—and, I am sure, every other Member—its paper on investment, which says:

"An EPS could deter investment in CCS which would have an adverse impact on energy security",

and continues:

"Introducing an EPS risks the unintended consequence of diverting investment away from UK clean coal, and towards CCS projects in countries where the risk profile is lower."

[Mr. Mike Weir]

That is a point of view, but as was pointed out earlier, there is one thing being done in this country that is not done elsewhere, and the Minister said it herself. No other country has a statutory funding mechanism. She has talked about £9.5 billion from the levy for four demonstration plants. That is a considerable amount of the investment that will be needed for those four plants, but the money will not come out of thin air; rather, it is money from the levy on the energy companies, the cost of which will be met by the consumer at the end of the day. We are therefore talking about giving £9.5 billion of consumers' money to the energy companies to demonstrate CCS, and possibly also for retrofitting.

Earlier, the hon. Member for Cheltenham (Martin Horwood) mentioned the increasing scepticism about climate change shown in polls of late. However, another type of scepticism is increasing, and that is scepticism among energy consumers, who are being asked to bear more and more costs, for environmental issues, helping with the grid and so on. As we are in a period when wages are not rising and are not likely to rise for the foreseeable future, yet energy bills continue to rise, and more and more is being put on those bills, there is a squeeze on the energy consumers who pay them. If we are going to take consumers with us down this route, we have to convince them that we are getting value for money for the huge amounts that we are putting into CCS and other things. One way to do that is by putting the EPS in place.

I understand the point that the hon. Member for Sherwood made about timing, and he is right. A year is a short time when we are talking about CCS, which we have talked about for many years but have never really got off the ground, for various reasons that I could go into at length, but will not. We have to show the consumer that we are putting real pressure on the companies to perform, to ensure that the money is well invested, that we will have a CCS system that works and reduces carbon emissions, that the cost is worth while for reducing the long-term emissions into the atmosphere and for helping to meet our challenging targets for carbon emissions reduction.

5 pm

I understood the points that the Minister was making earlier, and I do not disagree with a lot of them, but the reality seems to be that the only new coal plants that will come into being in the next few years will be those sanctioned through the levy. No one in their right mind will operate a coal plant without the levy.

To digress slightly, we talked about gas earlier, and I made the point in Committee about the terms of the national planning statement in England, which I think will prevent new gas plant from being developed. We took that up with the Minister, Lord Hunt, when he appeared before the Committee, and he promised to look into the matter again. This needs to be sorted out, because it could stand in the way of the development of gas plant.

The EPS will show a determination to ensure that consumers are getting value for money and that they are actually going to get somewhere with these companies. It will show that we are not just giving them money to build new plant. This brings me to my worry about new clause 8. I do not doubt the Minister's sincerity on the new clause. I do not doubt that the Government intend its effect to be that, in reviewing the measure in future, we will consider an EPS if we are not making fast enough moves towards decarbonisation. To me, however, that is not what the new clause actually says.

The new clause says that we will look at

"whether coal-fired generating stations for which appropriate consent is given on or after 1st January 2020 that are built in Great Britain can be expected to be constructed so as to enable use of carbon capture and storage technology on all their generating capacity".

Subsection (3) then says:

"A report under subsection (1) must also include a review of whether, having regard to the other matters contained in the report, any government policies should be revised".

It does not talk about whether policies should be strengthened, or whether we should consider introducing an EPS; it simply talks about whether they should be revised.

We should bear in mind the fact that by that time the energy companies will have invested money in the plant, and the Government will have invested £9.5 billion—perhaps a lot more. If, disastrously, carbon capture and storage is not working economically, there will be massive pressure on the Government of the day. Let us remember that 2020 is two Parliaments away, and with the best will in the world, whatever happens later this year, the Minister is unlikely still to be in her post—no offence meant to her, of course. In those circumstances, there will be massive pressure on the Government of the day to allow the plants to continue to operate without CCS because of the money that has been put in, and because of the effect on the energy system if they were taken out of commission.

For all those reasons, it seems perfectly sensible—indeed, absolutely essential—that we make it clear to the energy companies from the outset that there must be an emissions standard and that they must meet it. We are putting this money in to help us to achieve our carbon reduction targets, and if we do not do that, there is real danger ahead. I also suggest that we would have grave difficulty in convincing the energy consumers—who, ultimately, are paying for all this—that that is the right thing to do. I will support the emissions target tonight, and I hope that the measure goes through. I foresee great difficulty if it does not.

Dr. Whitehead: I agree with my hon. Friends the Members for Sherwood (Paddy Tipping) and for Morley and Rothwell (Colin Challen) that this debate might, unfortunately, be characterised as a debate between vertebrates and invertebrates. I believe, however, that it is about whether a very good existing policy on carbon capture and storage should be strengthened, or whether, in seeking to strengthen it, we could end up with no carbon capture and storage, and no coal plants, at all.

The debate is also about where we want to get to in terms of using low-carbon coal, if we decide we are going to use further coal power for energy production. It is also about whether we have new coal plants—if we do not have any, we will certainly not have any carbon capture technology, because the one follows from the other. As I said in an earlier intervention, the debate is about whether we take seriously what we are going to do about existing coal plants for our future energy

economy, bearing in mind that we want that future energy economy to be low carbon, and perhaps to involve some coal for low-carbon energy.

If we want certainty about what will happen to investors in new coal plant, as well as investors in existing coal plant, if they continue to use those assets to develop energy—or not, as the case may be—we need to look no further than the Committee on Climate Change. In a recent report, it said explicitly that

"there is no role for unabated coal-fired generation beyond the 2020s on the way to an 80 per cent. emissions reduction in 2050".

That is a very clear statement, which is, in fact, rather more radical than an emissions performance standard, in saying that by the 2020s investors in coal—either in existing power stations or new ones—will not be able to use those stations for energy generation unless it is abated. Full stop. That seems to me to provide complete certainty about the future basis for investment. This is essentially the position we are now in, as we look at carbon capture and storage.

The question then arises: if we adopt one or more of these amending provisions, where do we stand in terms of the aim? If new clause 15 were adopted, the No. 1 point is that no new coal-fired stations might be developed in the first place—for reasons connected with the economics of developing the power stations and the imposition and overlay of an EPS on an existing series of projects for new coal-fired projects. As new clause 15 specifically points out, the suggested EPSs should apply only to new coal-fired plant. We could thus end up with the worst of all worlds—with no new coal-fired power stations and with no emissions standards for existing coal-fired power stations. That would indeed be a magnificently perverse outcome for those who claim that they are fighting on behalf of the vertebrates against the invertebrates.

Alan Simpson *rose—*

Dr. Whitehead: I believe that my hon. Friend conceded that point in response to my earlier intervention. That seems to me to be a possible problem with new clause 15.

Alan Simpson: My hon. Friend is right that that might be a problem with new clause 15. However, he should bear in mind what successive Ministers have repeatedly said—that there is nothing to stop the Government introducing an EPS on their own account now. The new clause could cover the aspects that are omitted in relation to existing plans, but the real question is whether there is the political will for an EPS. It actually comes down to something as fundamental as that.

Dr. Whitehead: I take my hon. Friend's point, but we are debating real amendments before us, which would have a real effect, so if we go into the Lobbies to vote on those provisions, the outcome will be that one amending provision or another will be passed. New clause 15 clearly states that an EPS of any description—it is not quantified—will apply only to new power plant.

Here, I am sorry to say, I am reminded of the contribution of the right hon. Member for Wokingham (Mr. Redwood)—a man who lives and dies by markets—because he appeared to confuse markets with marketplaces. In energy, we do indeed have a very constrained market, but we also have a marketplace for balancing our energy supply between what is demanded, which is variable, and what is supplied, which is also variable. Not only do we have a variable supply, but we have the introduction of a variable—in a different sense—renewable supply against a baseline supply which is not variable, but which may come within the marketplace on a variable basis.

All those elements must be balanced against each other if we are—as the right hon. Gentleman said—to keep the lights on. If we wish to keep the lights on, as well as moving to a low-carbon economy and retaining an element of coal, we must take careful account of how the existing coal-fired power stations—not necessarily the most economic—remain in the marketplace in terms of the balancing mechanism that I assume will continue be used to ensure that our energy supply demand matches our energy supply over a period of years.

If we are to do that, it is imperative that the existing coal-fired power stations are clear about two facts. They must be clear about the fact that they will not receive rebates after the 2020s, and they must be clear about the fact that a number of them will stay on line after 2015-16. We should consider what will happen if, as a result of anything that we do today, a commercial decision is made that causes those 10 stations to close, given that they will not be receiving rebates for very long.

The hon. Member for Harrogate and Knaresborough (Mr. Willis) mentioned flue desulphurisation. The decision in that instance was made not on the basis of whether it was suitable for those stations, but on the basis of the economics. A number of coal-fired stations were closed under the large plant directive because it would not have been economic to fit desulphurisation equipment. The 10 stations that will continue to operate do have that technology, and can operate for a while: indeed, Drax can operate for a number of years.

The question that we must ask ourselves is: do we wish those power stations to disappear from the marketplace in the not too distant future? If so, we shall be faced with the additional prospect of either the market or the Government building new power stations and mothballing them in order to keep the marketplace working in terms of energy supplies. That is a second possible perverse outcome of what we think we are trying to achieve today.

I believe that new clause 8 represents a considerable improvement on what we were offered in Committee. It sets out what we should seek in terms of progress; it sets out our aims; it sets out how we can get there; it sets out what we do if we are beginning to fail to get there; and it sets out the ultimate outcome. That seems to me to ensure that the outcomes that we want will be achieved and the risk of perverse outcomes minimised. I therefore cannot support new clause 15, and I urge the House to support new clause 8.

Mr. David Anderson: It is impossible for us to conduct this debate without understanding the background: what is actually going on in the world of energy supply. The debate is long overdue, and, given the position in which we now find ourselves, perhaps too late. Ofgem's recent report "Project Discovery" has been a wake-up call for many—perhaps for Ofgem more than for anyone else. This morning, at a meeting of the Energy and Climate Change Committee, its chief executive, Alistair Buchanan, spoke to us along with some colleagues. He told us that he had been surprised and exposed by events that he

[Mr. David Anderson]

had not anticipated. I was quite concerned when he said that. He mentioned six things that identified his concern about the stage we have reached in developing an energy system that is fit for the future. I think that most people who are involved in energy debates would understand five of them.

5.15 pm

Mr. Buchanan spoke of reasonable doubts about security of supply. Those have existed for some time. He also mentioned an overall rise in prices since 1998, climate change and the legislative programme from Europe, the closure of coal plants—which has been dictated by that programme—and the risk posed by gas imports. That risk has been clear for at least five years, given, for instance, the closure of pipelines from Ukraine. A huge element has been the length and depth of the financial crisis. It is clear that Ofgem, along with many other people in the country, could not have been expected to forecast that or work its way around it.

The country faces an energy challenge that is probably unique. Much of what we have is not fit for purpose. In particular, we face the huge issue of security of supply, while seeking massive investment from the markets. Ofgem predicts that we will need to raise £200 billion by 2020. That is a huge sum of money, and Ofgem put it into context today when it said that £100 billion was invested in the water industry over 20 years, and we now need £200 billion over 10 years—twice as much over half the length of time, when we have had serious economic problems. We are certainly in straitened times.

Alistair Buchanan highlighted that in his report. "Project Discovery" states that

"although investor confidence appears to be recovering...there is still a question as to whether the high levels of investment needed...will be available at a reasonable cost".

I asked the Minister earlier to give us an idea as to what the cost to the consumer would be, but she was unable to do so, because we do not know. We do not know what we will be charged by the private companies going forward.

Alistair Buchanan went on to say that

"we are entering a phase of substantial new investment in energy markets globally...If the GB market is perceived as a higher risk than those overseas, returns will need to be higher in order to attract sufficient investment. Furthermore, international competition for constrained skills, equipment and other resources could push up costs."

There is a huge difference between that and what he said four years ago. In a speech to the International Energy Agency, he said that the development of gas coming into Teesside

"shows that the markets deliver entrepreneurial solutions and that markets deliver."

They are clearly not doing very well going forward.

What is the situation in the country now? We are importing 43 million tonnes of coal a year, and we are burning 65 million tonnes of coal a year, and we are running out of UK gas and oil. We are also in limbo between old nuclear build and new nuclear build. We are closing down all the coal-fired power stations, too, and the electricity grid is clearly not fit for purpose for this century and going forward. There is also a huge issue of lack of skills. One point that has been continually repeated in our Select Committee debates is that energy companies have not invested in skills because of the overriding objective of keeping prices down and giving shareholder dividends. Although we need to develop new technologies, we do not have the people with the skills to do so. The industry has not developed these new skills, and we are dependent on coal and gas imports from very unstable states.

The right hon. Member for Wokingham (Mr. Redwood) spoke earlier about his concern about where our coal comes from. Let me repeat something that I have said more than once before in this House, especially as the Minister with responsibility for coal is present. There is a moral point to be made about the fact that we import coal. We are importing coal from China, where 6,000 miners a year are dying. Tonight in China, 20 men will not go home because of a lack of safety standards. In Ukraine, for every 1 million tonnes of coal that is got out of the ground, seven people die. That is the reality of getting cheap imported coal. If we are happy with that, we are not the people we should be in this country.

Investors in the industry are constantly looking for support from the public purse. From all the debates we have had over the past 25 years about the privatisation of public services, I have understood that the whole idea is to transfer the risk: if we transfer the services out of the public sector, we also transfer out the risk. The truth, however, is that whenever the risk returns, these investors are suddenly standing with their hands out, and with their hands in our pockets, demanding that our customers and electorates pay for their shortfalls.

The European energy system works in a different way from ours. In the rest of the European Union, countries base their energy debates and demands first of all on social obligations. We base ours on price-led mechanisms, so it is no wonder that when times are tough gas goes into Europe and out of Britain. Twenty years have passed since we were told to "Tell Sid." Well, the chickens are coming home to roost, because companies here need to find £200 billion and we are on the back foot. The companies will be coming to the Government—regardless of which party is in charge—and saying, "We need you to help us. We need you to help us at a time when money is more expensive than it has probably been for a long time." We are paying the price for being in an ideologically driven situation, and it is the very same ideology that got us into this mess in the first place.

This Bill is a small step towards putting some of that right. As has been acknowledged by Members on both sides of the House, there is no doubt that a significant sea change has taken place in the past two years, particularly with the creation of the new Department and the new drive to try to put the British coal industry, in particular, and the British energy system back where they should be. Nobody wanted to talk about energy during the first three years that I was in this House. It took the huge petrol price increases of two years ago to frighten people; the reality was that we were being held to ransom by the oil companies and we needed to start doing things. If that has been a push in the right direction, thank God it has.

We have great potential in this country. The coal industry remains massively untapped—we have tapped into only 10 per cent. of the coal supply in this country. In addition to the nuclear power potential, we know about the potential of offshore wind and tidal power. Those sources all provide excellent opportunities, but

we must ensure that we have a package of incentives and developments that make them work. We have a massively bureaucratic system at the moment. It is in place to try to drive the market, work with it and make it operate, but the system is confusing, costly and comfortable for business.

The Select Committee is to publish a report—I believe that this will happen this week—on the need to develop new networks for the grids. Some 17 acronyms in that report relate to trying to dictate the market, including: BETTA, which stands for the British electricity trading and transmission arrangements; LENS, which stands for the long-term electricity network scenarios; and ENSG, which stands for the electricity networks strategy group. All those things have been put in place to try to make the market work in the way that it should be working in any case.

This is a huge challenge for the future, and hon. Members will not be surprised to learn that I do not believe that the market will provide in the way that this country really needs and that I am convinced that the Conservative party will not be able to work with the market in the way that is right for this country. We need to get this Bill through and we need this Government returned to make sure that we put this right.

Joan Ruddock: I thank my hon. Friend the Member for Blaydon (Mr. Anderson) for a superb Third Reading speech; I am glad to have heard it at this point because it much encouraged me.

I shall try to respond to the points that must not remain on the record without a response being given and on which I have been asked questions.

I asked the hon. Member for Wealden (Charles Hendry) to provide the details of the companies that supported his view that an EPS set at the right level would encourage investment. I must tell him that the Scottish and Southern Energy Group has said that

"even legislation which provides for an EPS to be introduced at a level to be decided later, could deter investment, because it increases political risk".

RWE has said that

"the threat of any introduction of an EPS would act as a strong deterrent for investment in new plant".

I believe that he is unable to support his arguments and, thus, his case for an EPS.

Charles Hendry: Will the Minister confirm that she was saying just a little while ago that the Government themselves would look at an EPS if that was necessary in a few years' time? Therefore, the EPS is on the agenda, so it is just a question of whether the EPS is set in the next few months to give clarity ahead of investment decisions or whether it hangs over companies like the sword of Damocles and possibly undermines those investment decisions.

Joan Ruddock: The quotes that we have seen and the conversations that we have had with the companies have all been based around the provisions of this Bill, what they mean for investment in this country now and how those investment decisions would be undermined by the introduction of an EPS now, as proposed in the new clause that the hon. Gentleman supports.

The hon. Member for Cheltenham (Martin Horwood) said that there was a need for clear signals to be given. I do not believe that there could be a clearer signal than the framework that we offer in this Bill, the levy that it contains and the certainty that companies can have that they can invest at a time when they are being asked to do so in technology that in its complete form—from capture to transportation to storage—has not yet been proven. He cited a range of projects that appear in an IEA report. I have to tell him that I have now had the opportunity to check all those projects and I have found that some of them are not operational, some will not necessarily be taken forward and none is on a commercial scale. I hope that he will therefore understand that what is proposed by our framework is necessary, because those projects are not on a commercial scale, and the support that we rightly offer through this Bill is what industry needs.

The hon. Gentleman asked about EU law and suggested that there was an amendment to a directive that could be a threat to any future EPS. We have been in discussions on the matter and we remain convinced that the proposed amendment does not threaten any attempt by a sovereign state to introduce an EPS at any stage in the future.

I am glad to see my hon. Friend the Member for Nottingham, South (Alan Simpson) in his place. I think that he compared me to a worm today, which I am very surprised at—he compared me to an invertebrate, and the best known invertebrate is a worm. He spoke at some length about how he thinks that an EPS can incentivise, and made comparisons with the German feed-in tariffs and catalytic converters in cars. My hon. Friend the Member for Morley and Rothwell (Colin Challen) intervened and made the following point, but it needs to be emphasised. There is a fundamental difference between creating incentives to bring on and to produce more use of existing technologies, and creating the incentives required to enable people to take on a huge risk where the technology is not yet entirely proven. We reject absolutely the comparisons made by my hon. Friend the Member for Nottingham, South, which do not support a case for imposing an EPS such as that which he suggests at this stage.

When EU law sets standards, it does so on the basis of the best available technology—that means not just the technology that is available for lab-scale prototypes but that which is economically and technically feasible. That is the judgment that we must make when we are considering the investment programme that we propose and how an EPS would undermine it.

My hon. Friend the Member for Nottingham, South also asked, as did my right hon. Friend the Member for Edinburgh, East (Dr. Strang), why the Government would throw such enormous sums of money at the private sector without setting any conditions. First, let me remind the House that conditions already exist in our climate change levy and the EU emissions trading scheme. We are already in a carbon-constrained economy where all fossil fuels are subject to some constraint, and that is recognised and codified in the carbon budgets that we have set through to 2022. They, of course, are statutory.

Obviously, conditions will be set on the projects through the incentive. There will be performance standards, which will need to include the meeting of an agreed schedule for the storage of CO_2 and the amount of CO_2

[Joan Ruddock]

that is to be stored. There will need to be monitoring of the CCS projects, as well as the collection, collation and reporting of information to an agreed standard. The information will then have to be shared. We will have to ensure that the CCS projects fully meet any relevant safety and other standards. So, there will be standards. In addition, the payment made to companies will not just be given to companies willy-nilly. It will be awarded to companies based on the amount of CO_2 that is saved.

As for the right hon. Member for Wokingham (Mr. Redwood), whom I see nodding—perhaps he is glad to have had that information—he asked for more information. He asked about the overall investment and I repeat what I said earlier: the estimated cost of the investment is £9.5 billion. He spoke well and in a way with which we would all agree about energy security. It is fundamental to what we are doing and the Bill is intended to assist with energy security. He said that the Government need to be clear about the missing bits, and we think that we have done that by saying that we need new nuclear projects, by making massive renewables incentives available to industry and by saying categorically and specifically in the Bill that we need four new coal-fired power stations, which we will enable to come on stream by making the CCS levy available. He can find further details about finance in the annexe to the low carbon transition plan, but that will be revised soon, so he is welcome to write to me if he wants further detail, which I may or may not be able to give him. Where I am able to, I will do so.

5.30 pm

I very much appreciated the speech of the hon. Member for Northampton, South (Mr. Binley), and I think that we all appreciated his enthusiasm for carbon capture and storage. He was at the meeting of the all-party group on coalfield communities that I addressed yesterday. It is important that people across the House have a commitment to coal and to the future in the way that he expressed. I cannot give him the satisfaction of agreeing to move from a three-year reporting period to a one-year reporting period, but I will say that, as he well knows, it is up to all Members of the House at Question Time, in Opposition day debates and on other occasions to obtain more frequent responses from Ministers if that seems appropriate. He asked specifically about the nature of reports. I can give him the assurance that all matters such as clusters, the concept of pipeline networks and storage capacity—indeed, all the potential uses that he could think of—can be covered by reports, and we anticipate that they will be.

The hon. Member for Angus (Mr. Weir) asked about a subsection of new clause 8 and the fact that we have said clearly that we will be in a position, through the reporting regime, to consider whether we need to revise policies. He has interpreted that to mean that we will revise matters in 2020. On the contrary, we have three-year stages, so there will always be the potential to revise policy as we go along. The difference between our position and that of putting an EPS in place very quickly is that we will have knowledge of how CCS is going and will therefore be able to make better judgments not only about whether an EPS might be required at any stage, but on whether any other measures are required. Companies clearly understand that we are putting our confidence in CCS and we are making it possible, but sensibly and rationally. We will revise matters on the basis of how well things are going and what is achieved.

My hon. Friend the Member for Blaydon rightly said that I did not respond immediately to his question about the likely effect on customers' bills. I responded to that point later, but he might not have heard that response. We think that the levy that we propose would have an effect in the region of 2 to 3 per cent. on a customer's annual bill.

Finally, I thank my hon. Friends the Members for Morley and Rothwell, for Sherwood (Paddy Tipping) and for Southampton, Test (Dr. Whitehead), all of whom I believe are environmental vertebrates, certainly in my experience, in their enthusiasm—*[Interruption.]* There has been an in-joke all afternoon about the vertebrates and the invertebrates. My hon. Friends have demolished the arguments in favour of introducing an EPS under any of the new clauses, and have demonstrated the perverse outcomes that could result if we were to vote in favour of any of them. I commend new clause 8 to the House.

Question put and agreed to.

New clause 8 accordingly read a Second time, and added to the Bill.

Simon Hughes: On a point of order, Madam Deputy Speaker. We understand, of course, the sequence of votes and debates but, for the purposes of clarification, would you be kind enough to confirm that you will permit a vote on new clause 15? It was in the group of amendments that we have just debated. Will we have a vote on it at the end of the time allocated for the Report stage?

Madam Deputy Speaker (Sylvia Heal): I was told by the previous occupant of the Chair that there would be a request for that vote, and I am happy to accede to it.

New Clause 9

MODIFICATIONS OF SUPPLY LICENCES: NOTICE OF UNILATERAL CHANGES TO DOMESTIC SUPPLY CONTRACTS

'(1) The Secretary of State may modify—

(a) a condition of a particular licence under section 7A(1) of the Gas Act 1986 (supply licences);

(b) the standard conditions incorporated in licences under that provision by virtue of section 8 of that Act;

(c) a condition of a particular licence under section 6(1)(d) of the Electricity Act 1989 (supply licences);

(d) the standard conditions incorporated in licences under that provision by virtue of section 8A of that Act.

(2) The Secretary of State may make a modification under subsection (1) only for the purpose of securing that customers under contracts for domestic supply are notified about changes which licence holders make under unilateral variation terms in—

(a) any terms of such contracts, or

(b) the price charged for energy supplied under such contracts,

within a period specified in (or determined by reference to criteria set by) the licence as so modified.

(3) Modifications under subsection (1) may include provision—

(a) requiring a notice to be given before or after the change to which it relates is made,

(b) about the form of a notice and the manner in which it is to be given,

(c) about the effect of a notice,

(d) about the effect of failure to give a notice, or

(e) requiring a notice to be accompanied by other information.

(4) The power conferred by subsection (1) may not be exercised after the end of the period of 3 years beginning with the day on which that subsection comes into force.

(5) Before making a modification under subsection (1), the Secretary of State must consult—

(a) the holder of any licence being modified,

(b) the Authority, and

(c) such other persons as the Secretary of State thinks it is appropriate to consult.

(6) In this section a "unilateral variation term" means a term in a contract for domestic supply under which a licence holder is permitted to change a term of the contract or a price charged for energy supplied under it, without the agreement of the customer to the particular changes.

(7) For the purposes of subsection (2), agreement by a customer under a contract for domestic supply to a unilateral variation term (whether by entering into the contract or otherwise) is not be taken to constitute agreement to any particular changes made by virtue of the term.

(8) In this section—

"a contract for domestic supply" means a contract for the supply of energy by a licence holder to a customer at domestic premises wholly or mainly for domestic purposes;

"energy"—

(c) in relation to the holder of a licence under section 7A(1) of the Gas Act 1986, means gas;

(d) in relation to the holder of a licence under section 6(1)(d) of the Electricity Act 1989, means electricity.'.—*(Joan Ruddock.)*

Brought up, and read the First time.

Joan Ruddock: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following: Government new clause 10—*General duties of the Authority and the Secretary of State.*

Government new clause 11—*Modifications of licences etc: Parliamentary procedure.*

Government new clause 12—*Licence modifications etc.*

Government new clause 13—*Consequential amendments.*

New clause 2—*Minimum time period for notification of price changes*—

'The Secretary of State shall by regulations set down the period of notice which suppliers must give to their customers of changes in their tariffs before a change in tariffs can be made.'.

New clause 18—*Alterations to the threshold for upholding objections to modifications of the standard conditions of electricity licences*—

'(1) The Electricity Act 1989 is amended as follows.

(2) Omit section 11A(6)(b) and insert—

"(b) if one or more relevant licence holders give notice of objection to the Authority within that time—

(i) the proportion (expressed as a percentage) of the relevant licence holders, calculated in accordance with subsection (7A), who have given notice of objection is less than the percentage set out in subsection (7B); and

(ii) the percentage given by subsection (7) is less than the percentage set out in subsection (7B); or".

(3) After section 11A(7) insert—

"(7A) Where more than one relevant licence holder is in common ownership, these shall be collectively considered to be a single relevant licence holder for the purpose of calculating the percentage.

(7B) The percentage shall be the higher of 50% or such other figure as may be prescribed by the Secretary of State.".'.

New clause 21—*Alterations to the threshold for upholding objections to modifications of the standard conditions of gas licences*—

'(1) The Gas Act 1986 is amended as follows.

(2) Omit section 23(7)(b) and insert—

"(b) if one or more relevant licence holders give notice of objection to the Authority within that time—

(i) the proportion (expressed as a percentage) of the relevant licence holders, calculated in accordance with subsection (8A), who have given notice of objection is less than the percentage set out in subsection (8B); and

(ii) the percentage given by subsection (8) is less than such percentage set out in subsection (8B); or".

(3) After section 23(8) insert—

"(8A) Where more than one relevant licence holder is in common ownership, these shall be collectively considered to be a single relevant licence holder for the purpose of calculating the percentage.

(8B) The percentage shall be the higher of 50% or such other figure as may be prescribed by the Secretary of State.".'.

New clause 22—*Information on the profits of energy companies on energy bills*—

'The Secretary of State may modify—

(a) a condition of the license of section 11A of the Electricity Act 1989 (transmission of licenses and supply licenses) to make provision on energy bills for information about the profits of electricity suppliers;

(b) a condition of the license of section 23 (1) (b) of the Gas Act 1986 (transmission licences and supply licenses) to make provision on energy bills for information about the profits of gas suppliers; and

(c) the standard conditions incorporated in the licenses under those provisions by virtue of those acts.'.

Amendment 2, in clause 18, page 15, line 32, at end insert—

'(2A) The Secretary of State may not exercise the power in subsection (1) unless he or she is of the opinion that the modifications would not have adverse impacts on security of supply or investment in electricity generation capacity.'.

Government amendments 15 to 18.

Government amendments 20 to 35.

Government new schedule 1—*'Consequential Amendments.*

Joan Ruddock: With the exception of Government amendments 27 and 28, these amendments relate to the notification period within which energy companies must inform their customers of tariff changes. New clause 2, tabled by the hon. Member for North Southwark and Bermondsey (Simon Hughes), also relates to that matter.

[Joan Ruddock]

The current rules require suppliers to provide customers with written notice of a price increase within 65 working days of the change taking effect. That means that some customers may not be told that their gas or electricity price has been increased until almost three months after the change has taken place. Although consumers have a 20-day period following the notification within which they can switch supplies to avoid the price increase, it is simply unacceptable to have such a delay between a tariff change and notification. Best practice must surely be to notify before a price increase, so that customers can consider whether they want to switch to another supplier or budget for the higher costs before they come into effect.

After a substantive debate on this issue in Committee, I wrote to Ofgem to highlight the strength of feeling of hon. Members, and to ask it to address the matter urgently. As the regulator, Ofgem is best placed to take steps to do that by changing licence conditions. It has responded to my letter, and announced that it will consult on the issue before Easter.

Given normal time scales, I expect that Ofgem will take action by the end of the summer. My firm expectation is that it will address the issue effectively but, if it encounters difficulties, it is important that the Government are able to step in and remedy the situation.

I am sorry to say that new clause 2, as drafted, would not work in practice. There needs to be a mechanism through which the Government can impose such a requirement on energy companies, as well as suitable enforcement measures to ensure compliance. That mechanism is the licence condition.

Government new clause 9 enables the Secretary of State to modify licence conditions in electricity and gas supply licences and to set the notice period within which energy suppliers must notify consumers of tariff changes. As is standard practice, it sets out that any modifications should be subject to consultation.

Government new clause 11 makes those modifications subject to parliamentary scrutiny. Therefore, a resolution of either House of Parliament would prevent the Secretary of State from making the modifications.

Government new clause 9 includes a sunset clause. The Secretary of State will not be able to exercise his power after a period of three years from the provisions coming into force. That is because the situation requires urgent resolution. Taking these powers should give a clear signal to industry that the Government expect the issue to be resolved swiftly and are ready to take direct action if needed.

The introduction of new clause 9 leads to a restructuring of the Bill, as many provisions relating to licence modifications are common to more than one part. Amendments 15 to 18, 20 to 26 and 29 to 35 are technical: they restructure the Bill to take account of the consolidation of licence modification provisions set out in new clauses 11 and 12.

Government new clause 10 applies the principal objective and general duties of the Secretary of State and Ofgem under part 1 of both the Electricity Act 1989 and the Gas Act 1986 to the exercise of this power, as well as to the exercise of any function by the Secretary of State or Ofgem under parts 2 or 3 of this Bill. This ensures that those functions will be exercised to protect the interests of existing and future consumers.

Government new schedule 1 contains all the consequential amendments made necessary by the change, and collects together the existing consequential amendments required by the other clauses in this Bill.

The remaining Government amendments in this group are amendments 27 and 28. These correct a technical and unintentional anomaly—which was the fault of the Government—in clause 23. They ensure that, in relation to appeals under the market power licence condition powers, the Competition Appeal Tribunal can change both the amount of the penalty and the day by which it, or part of it, is required to be paid.

Amendment 2 aims to reduce any adverse impacts on security of supply and investment which may result from the market power licence condition introduced in clause 18 by making it an explicit requirement that before exercising the new powers, the Secretary of State should have considered these issues and be of the view that action would not affect them.

Security of supply and the need for increased investment in electricity transmission are, of course, matters of prime importance. The market power licence condition has been purposefully structured to limit the market uncertainty which may have a negative impact on investment. Our intention is that it will apply only where there are transmission constraints in existence. It is narrow and proportionate to the specific problem identified by Ofgem and contains a tailored appeals process as an added support for companies. There will also be a full consultation process on the licence conditions and Ofgem's accompanying guidance document to ensure that we avoid any unintended consequences and subsequent adverse impact on security of supply.

Finally, the inclusion of a sunset clause that limits the operational life of the licence condition to five or seven years gives the industry the certainty that this is a targeted measure. After that period of time, we anticipate that there should be sufficient investment in the transmission network to remove the constraint scenarios that give rise to market power exploitation, and that the licence condition will therefore no longer be necessary.

The amendment is unnecessary, although I understand and have sympathy with the reasons for tabling it. The narrow and targeted nature of the market power licence condition, together with its curtailed lifespan, will limit any investment uncertainty. In addition, the amendments to the duties of Ofgem and the Secretary of State introduced by clauses 16 and 17 will ensure that security of supply issues are considered when developing the licence condition.

On new clauses 18 and 21, energy companies currently have the right to block licence modifications proposed by Ofgem if more than 20 per cent. of licence holders or companies with 20 per cent. of the market share object to the proposed change. We recognise that there are concerns that the 20 per cent. threshold is too low and could make it too easy for major energy suppliers to block or dilute change intended to benefit consumers. For example, in many cases it would require a combination of only two of the major electricity companies to reach the required blocking threshold and thus veto change.

The 50 per cent. threshold proposed by the Lib Dems would make it more difficult for companies to veto Ofgem's changes to licence conditions, arguably enhancing Ofgem's ability to make timely changes for the benefit of consumers. There are, however, a number of risks associated with increasing the threshold, in particular the risk of inducing market uncertainty, which could impact adversely on much needed investment in the energy market and thus on security of supply. Given that changes to licence conditions can have potentially significant implications for a company's operations, it is appropriate that it should have an effective means of challenging these decisions.

The new clauses also address the mechanics of the blocking threshold. The issue was raised with my officials recently by Consumer Focus. Currently, the percentage of licence holders required to meet the blocking threshold is calculated by either market share or the number of licensees. But with some large companies holding multiple licences, the balance of power can be distorted, with those larger companies finding it easier to block modifications as a result.

The new clauses would change the rules so that there is one vote per group of affiliates, rather than one vote per licence holder, meaning that companies with multiple licences get only one vote instead of several, thereby levelling the playing field. It is not clear how much of an impact this change would have on larger companies, which will still find it easier to meet the market share blocking threshold. I accept that these issues merit attention and they are under active discussion in the Department. This is, however, a complex issue, and a quick legislative fix without a full understanding of the impacts is not necessarily the best way forward.

Mr. John Gummer (Suffolk, Coastal) (Con): I have listened very carefully to the Minister, and, having some experience of listening to civil servants, I think that, on the proposal before us, she has had a rather big dose of, "Better not, Minister." Bluntly, it is not good enough to say, "We all understand how difficult this is and we all have to put it off until we get it right." The truth of the matter is that most of us would like to see the proposal introduced now, and, unless the Minister can explain that she really will take some measure to do what I think is absolutely essential, we will have to take the view that her response is yet another obfuscation by a Government who have not stood up to those companies as they should have.

5.45 pm

Joan Ruddock: Perhaps I should regret having given way to the right hon. Gentleman. I was about to say that I am happy to provide an absolute assurance that we will further investigate both issues that the proposed change raises. They are under consideration and we are keen to do something about them.

I am afraid that I must turn to yet another new clause, new clause 22. The aim of providing information on bills should be to help a consumer gain a full picture of their consumption and understand and minimise the costs that they are paying. Having information regarding company profits on the bill would not achieve any of those objectives. Ofgem has already taken steps to improve the information on bills and ensure that suppliers also provide customers with an annual statement. Bills will contain information on the customer's tariff, their energy consumption over the previous 12 months and the projected costs.

The annual statement will also contain information on the terms and conditions of the tariff that the customer has chosen, arming them with the information that they will need should they wish to change their tariff or supplier. The rules will be fully implemented by this summer. As of October, Ofgem will also require the big six energy companies to publish revenue, costs and profits from their electricity generation and supply businesses, and from their gas supply businesses. That will provide consumers with better visibility of the profits and margins of their energy supplier.

To summarise, I hope that Members will welcome new clauses 9 to 13, new schedule 1 and amendments 15 to 18 and 20 to 35. I hope that the hon. Member for North Southwark and Bermondsey (Simon Hughes) will not press new clause 2 to a vote, and that Members will not press new clauses 18, 21 and 22 or amendment 2, either.

Simon Hughes: I am conscious that we have 13 minutes left as we begin the second of five groups of new clauses, new schedules and amendments, so I shall be brief in the hope that, between us, we can start to consider the third group before we have to vote.

I am grateful to the Government for tabling new clauses 9 to 13 and the consequential amendments, which would introduce provisions that my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) and I sought to introduce in Committee—but which the Government voted against. A belated conversion is better than no conversion, and I am always willing to receive a better drafted amendment, but I just make it clear that we are doing something that we should never have had to do by legislation, because the situation should never have arisen. For the first time, we are ensuring that the big six energy companies tell people in advance of changes to their prices. Today, they can still tell people 65 working days after they have changed their prices, and that is just nonsense. They should never have been able to do so, and I am grateful that at last common sense has prevailed as a result of my party's pressure, which the Conservatives supported and, at last, the Government have acknowledged.

That is, however, symptomatic of the problem that the right hon. Member for Suffolk, Coastal (Mr. Gummer) identified a moment ago and my hon. Friend the Member for Harrogate and Knaresborough and I have identified all the way along. Late in the day, the Government have realised that the big six energy companies have called all the shots, and the regulator, Ofgem, which the Conservatives set up when they were in power and Labour allowed to continue, has just not been up to the job. That is why we have also tabled new clauses 18 and 21, which go together as a pair, and new clause 22. I shall briefly comment on each one.

I would like to signal in advance, Madam Deputy Speaker, that if you are very kind and indulgent we would be grateful for votes on new clauses 18 and 22, but if not on both, then on one of them, at the 6 o'clock guillotine.

New clauses 18 and 21 contain an absolutely straightforward proposal that was picked up on by the right hon. Member for Suffolk, Coastal; I am grateful

[Simon Hughes]

for his support. At the moment, if a company has a 20 per cent. share of the market, it can block any proposals by the regulator for changing the licence conditions. Yes, there is an appeal mechanism, which can be taken up to the Competition Commission, but the regulator has shown itself to be very reluctant to go down that route. We are seeking to ensure that one of the big six companies cannot alone prevent changes in the rules that would be against their interests. It is entirely wrong, and unacceptable, that in terms of prices and the way that the energy companies give people information about what they are doing, one company can hold consumers to ransom in this way. Our proposals are thoroughly supported by Consumer Focus, the consumers' representative group.

Our second proposal would prevent energy companies from being able to collect a set of licences and thereby accumulate a similar power, under the radar, in a way that works against the fulfilment of consumers' wishes, as reflected by Ofgem.

The third proposal is probably the most timely and would affect people most at the moment. Colleagues will probably be aware that on Monday, Ofgem, like a sleeping giant waking up to its obligations, produced a report on the prices that the gas and electricity companies have had to pay and the prices that they were charging their consumers. In summary, as was reported yesterday in many newspaper headlines and national news bulletins, energy suppliers are making more than £100 out of every customer by refusing to cut bills during the record freeze. We have had record cold weather, with people probably having had to use their energy supplies more than in any recent winter in living memory, and yet during that period the energy companies have had a larger share of profits than ever before.

The figures for the big six companies—British Gas, Scottish Power, EDF Energy, npower, Scottish and Southern Energy and E.ON—show that in the last quarter, net profit margins per average dual fuel customer widened from £75 last November to £105 at the start of this month. That is the highest average margin enjoyed by the industry since 2004. In the next few days, we are expecting some of the big companies to report their profits, with possible increases in profits up as much as 50 per cent. and potential profits of up to £550 million. When bills such as the one that I have here drop through people's letterboxes telling them that prices are going up or staying the same, it is not an unreasonable proposition that the customer should know what profits are being made out of them by the big six energy companies. I am sad that the Minister resisted what seems to be an absolutely essential prerequisite for customer choice.

Liberal Democrat Members take the simple view that, so far, the big energy companies have given Government and Ofgem the runaround, and Ofgem, instead of acting in the interests of the consumer, has been a toothless tiger. Prices have gone up for consumers, many of whom have low household incomes. People have been paying over the odds and the energy companies have been making massive profits. We have to change the balance of power, and all these new clauses are about doing that. The Government have conceded on one of them and we are grateful. However, that is just the beginning of what needs to be done, and it is sad that it is so little, so late, and that the Government are unlikely to accept the rest of the amendments.

Charles Hendry: As the hon. Member for North Southwark and Bermondsey (Simon Hughes) said, it is sad that we will not have more chance to debate these issues today. We have quite rightly had a substantial debate on carbon capture and storage and emissions performance standards, and it shows the folly and shortcomings of the timetabling of debates that we cannot have more time to discuss such important energy issues at a time when they are so relevant to people in this country.

I welcome the Government's tidying-up amendments. They are not likely to win any plain English awards, as they are rather obscure, but we understand that they are important to make the Bill more substantive and put things in order. We also welcome very much the Government's response on the 65-day notification period. I congratulate the hon. Gentleman on how he has pushed the matter forward. A 65-day period is simply too long and was unacceptable, and it is quite right that Ministers should now take a power to address the problem and require a reduction in the notification period if Ofgem does not act as we would all expect.

I understand that the Minister's hope and preference is that tariffs should be announced in advance, so that there is no retrospection at all, or at worst within 10 days. That would return us to the situation that appertained before the Government changed the notification period to 65 days. We welcome that and hope that it can happen. We also welcome the sunset clause, which is appropriate in these circumstances. We need to act quickly, and that provision will put pressure on the Government and the regulator to do so in an appropriate way.

There are other issues that we wished to address, such as concerns about profitability. We recognise that there is a case for openness and information for consumers, but one has to question why it should be uniquely on energy bills. When we buy a car or a holiday we do not need to know the company's profits, and with so many tariffs in existence it is hard to relate the profits of an energy company to the particular tariff that a customer is on and the contribution that they are making to those profits. Those matters need to be explored further with the Government, and we hope to have the chance to do so in due course.

Mr. Gummer: I have no particular angst about the profits of energy companies. They ought to make profits, and I will not get tied up in the arguments about that. However, it is much better if energy companies are given the opportunity to work within a regime that the public think is fair. I therefore welcome what the Government have done, although they could have moved further on some of the issues that the hon. Member for North Southwark and Bermondsey (Simon Hughes) raised.

The Government ought to be on the side of the energy companies. If the energy companies can work within a system that the public perceive as fair, it is much easier for them. If they work within a system that the public perceive as unfair, that does not help them to do what needs to be done. We need a real relationship

between Government, energy companies and consumers to deliver a carbon-free economy. That is not easy, and we have to get it right. The current structure gives some of the less attractive elements of the media the ability to present the whole system in a way that is damaging to those of us who are fighting for a low-carbon, and finally non-carbon, economy.

I hope the Minister will be tougher with her civil servants, so that we can find answers more quickly and clearly. Will she please also tell them that in future there shall be no occasion on which initials shall be used, and that she will explain things in a way that those who are watching on television can understand? I have been listening carefully to the debate, and I do not think anybody outside can have understood it. We have all used shorthand terms and words that do not mean anything to the general public. I beg her to get her officials to understand that we need a partnership with the general public, and we have to get it right. Frankly, we are not getting it right at the moment because we are not prepared to explain to people what we are trying to do in language that they understand.

Question put and agreed to.

New clause 9 accordingly read a Second time, and added to the Bill.

New Clause 10

GENERAL DUTIES OF THE AUTHORITY AND THE SECRETARY OF STATE

'(1) Sections 4AA to 4B of the Gas Act 1986 (principal objective and general duties, as amended by section 16) apply to the carrying out, in relation to gas or holders of licences under section 7A(1) of that Act, of functions conferred on the Secretary of State or the Authority by or under Part 2 or 3 of this Act as they apply in relation to the carrying out of functions conferred on that person by or under Part 1 of that Act.

(2) Sections 3A to 3D of the Electricity Act 1989 (principal objective and general duties, as amended by section 17) apply to the carrying out, in relation to electricity or holders of licences under section 6(1) of that Act, of functions conferred on the Secretary of State or the Authority by or under Part 2 or 3 of this Act as they apply in relation to the carrying out of functions conferred on that person by or under Part 1 of that Act.'.—*(Joan Ruddock.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 11

MODIFICATIONS OF LICENCES ETC: PARLIAMENTARY PROCEDURE

'(1) Before making modifications under section 18(1) (exploitation of electricity trading and transmission arrangements) or section [Modifications of supply licences: notice of unilateral changes to domestic supply contracts](1) (notice of unilateral changes to domestic supply contracts), the Secretary of State must lay a draft of the modifications before Parliament.

(2) If, within the 40-day period, either House of Parliament resolves not to approve the draft, the Secretary of State may not take any further steps in relation to the proposed modifications.

(3) If no such resolution is made within that period, the Secretary of State may make the modifications in the form of the draft.

(4) Subsection (2) does not prevent a new draft of proposed modifications being laid before Parliament.

(5) In this section "40-day period", in relation to a draft of proposed modifications, means the period of 40 days beginning with the day on which the draft is laid before Parliament (or, if it is not laid before each House of Parliament on the same day, the later of the 2 days on which it is laid).

(6) For the purposes of calculating the 40-day period, no account is to be taken of any period during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.'.—*(Joan Ruddock.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 12

LICENCE MODIFICATIONS ETC

'(1) This section applies in relation to a power to make modifications conferred by—

(a) section 11(1) (schemes for reducing fuel poverty);

(b) section 18(1) (exploitation of electricity trading and transmission arrangements);

(c) section [Modifications of supply licences: notice of unilateral changes to domestic supply contracts](1) (notice of unilateral changes to domestic supply contracts).

(2) Subsection (5) also applies in relation to the power conferred by section 25(7) (expiry of power conferred by section 18(1)).

(3) The power—

(a) may be exercised generally, only in relation to specified cases or subject to exceptions (including provision for a case to be excepted only so long as specified conditions are satisfied);

(b) may be exercised differently in different cases;

(c) includes a power to make incidental, supplemental, consequential or transitional modifications.

(4) Provision included in licences by virtue of the power may make different provision for different cases.

(5) The Secretary of State must publish details of any modifications as soon as reasonably practicable after they are made.

(6) A modification of part of a standard condition of a particular licence does not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of Part 1 of the 1986 Act or Part 1 of the 1989 Act.

(7) Where the Secretary of State makes a modification of the standard conditions of a licence of any type, the Authority must—

(a) make the same modification of those standard conditions for the purposes of their incorporation in licences of that type granted after that time, and

(b) publish the modification.'.—*(Joan Ruddock.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 13

CONSEQUENTIAL AMENDMENTS

'The Schedule (consequential amendments) has effect.'.—*(Joan Ruddock.)*

Brought up, read the First and Second time, and added to the Bill.

6 pm

Proceedings interrupted (Programme Order, 7 December).

The Deputy Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

New Clause 15

EMISSIONS PERFORMANCE STANDARD

'(1) The Secretary of State may by regulation introduce an Emissions Performance Standard to apply to new electricity generation plant.

(2) In this section "Emission Performance Standard" means a restriction on the amount of carbon dioxide that electricity generation plant can emit.

(3) In setting such a level, the Secretary of State must take account of the latest information available to him on—

(a) the most up-to-date scientific knowledge about climate change;

(b) the advice of the Committee on Climate Change, particularly in relation to carbon budgets, medium and long-term emission reduction targets, and future emissions from the electricity generating sector;

(c) the affordability of electricity prices for consumers; and

(d) national energy security.

(4) The Secretary of State must set out his proposals for consultation within six months of the passage of this Act, with final proposals to be placed before Parliament within 12 months.'.—*(Alan Simpson.)*

Brought up.

Question put, That the clause be added to the Bill.

The House divided: Ayes 244, Noes 252.

Division No. 86] **[6.1 pm**

AYES

Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Austin, John
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browning, Angela
Burgon, Colin
Burstow, Mr. Paul
Burt, Alistair
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Cook, Frank
Corbyn, Jeremy
Cormack, Sir Patrick
Cousins, Jim
Cox, Mr. Geoffrey
Cruddas, Jon
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davis, rh David
Dobson, rh Frank
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Nadine
Drew, Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Field, Mr. Mark
Flynn, Paul
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Galloway, Mr. George
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hall, Patrick
Hammond, Mr. Philip
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jackson, Glenda
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Lull, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Nayamith, Dr. Doug
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Palmer, Dr. Nick
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Smith, rh Mr. Andrew
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Strang, rh Dr. Gavin
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward

Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen

Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Stephen Crabb and
Kelvin Hopkins

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hamilton, Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Heasley, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stuart, Ms Gisela
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil

Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Lyn Brown

Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wishart, Pete
Younger-Ross, Richard

Tellers for the Ayes:
Dan Rogerson and Mr. Alan Reid

Question accordingly negatived.

New Clause 18

ALTERATIONS TO THE THRESHOLD FOR UPHOLDING OBJECTIONS TO MODIFICATIONS OF THE STANDARD CONDITIONS OF ELECTRICITY LICENCES

'(1) The Electricity Act 1989 is amended as follows.

(2) Omit section 11A(6)(b) and insert—

"(b) if one or more relevant licence holders give notice of objection to the Authority within that time—

(i) the proportion (expressed as a percentage) of the relevant licence holders, calculated in accordance with subsection (7A), who have given notice of objection is less than the percentage set out in subsection (7B); and

(ii) the percentage given by subsection (7) is less than the percentage set out in subsection (7B); or".

(3) After section 11A(7) insert—

"(7A) Where more than one relevant licence holder is in common ownership, these shall be collectively considered to be a single relevant licence holder for the purpose of calculating the percentage.

(7B) The percentage shall be the higher of 50% or such other figure as may be prescribed by the Secretary of State.".'.—*(Simon Hughes.)*

Brought up.

Question put, That the clause be added to the Bill.

The House divided: Ayes 63, Noes 271.

Division No. 87] **[6.17 pm**

AYES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Sir Alan
Bottomley, Peter
Brake, Tom
Brooke, Annette
Burstow, Mr. Paul
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Corbyn, Jeremy
Davies, Mr. Dai
Drew, Mr. David
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Hunter, Mark
Jones, Lynne
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
Mason, John
McDonnell, John
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Pelling, Mr. Andrew
Price, Adam
Pugh, Dr. John
Robertson, Angus
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Hywel

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Fiello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.

Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Lyn Brown

Question accordingly negatived.

Clause 6

CCS DEMONSTRATION PROJECTS AND ADDITIONAL CCS USE

Amendments made: 3, page 5, line 23, leave out 'coal-fired'.

Amendment 4, page 5, line 28, leave out 'coal-fired'.

Amendment 5, page 5, line 34, leave out 'section' and insert 'Part'.

Amendment 6, page 5, line 37, leave out 'coal-fired'.

Amendment 7, page 6, line 1, leave out 'coal-fired'.

Amendment 8, page 6, line 2, leave out from 'scale' to end of line 5.—*(Joan Ruddock.)*

Clause 7

INTERPRETATION OF PART

Amendment made: 9, page 6, line 14, at end insert—

' "carbon capture and storage technology" has the meaning given in section 6;'.—*(Joan Ruddock.)*

Clause 8

SCHEMES FOR REDUCING FUEL POVERTY

Amendments made: 10, page 6, line 27, after 'requiring' insert 'benefits to be provided by'.

Amendment 11, page 6, line 27, leave out 'to provide benefits' and insert—

'( ) A scheme must provide for the benefits provided under it, taken as a whole, to be provided wholly or mainly'.

Amendment 12, page 7, line 5, leave out 'to scheme customers'.

Amendment 13, page 7, line 11, at end insert—

'( ) benefits to be provided in the form of goods or services.'.

Amendment 14, page 7, line 29, leave out 'to scheme customers'.—*(Joan Ruddock.)*

Clause 11

RECONCILIATION MECHANISM: LICENCE MODIFICATIONS

Amendments made: 15, page 9, line 39, leave out from beginning to end of line 47 and insert—

'( ) Provision included by virtue of the power in subsection (1) in licences, or in a document or agreement relating to licences'.

Amendment 16, page 10, line 1, at end insert—

'( ) Without prejudice to section [Licence modifications etc](4), provision included by virtue of that power in a document or agreement relating to licences'.

Amendment 17, page 10, line 9, leave out subsections (5) to (7).—*(Joan Ruddock.)*

Clause 12

FUNCTIONS OF AUTHORITY AND SECRETARY OF STATE UNDER PART 2

Amendment made: 18, page 10, line 22, leave out subsections (1) and (2).—*(Joan Ruddock.)*

Clause 14

SCHEMES FOR REDUCING FUEL POVERTY: INTERPRETATION

Amendment made: 19, page 12, line 7, leave out '7A' and insert '7A(1)'.—*(Joan Ruddock.)*

Clause 15

SCHEMES FOR REDUCING FUEL POVERTY: CONSEQUENTIAL AMENDMENTS

Amendment made: 20, page 12, line 20, leave out Clause 15.—*(Joan Ruddock.)*

Clause 18

POWER TO MAKE MODIFICATIONS

Amendments made: 21, page 16, line 16, leave out 'by virtue of' and insert 'under'.

Amendment 22, page 16, line 21, at end insert—

'(8A) Before making modifications under subsection (1), the Secretary of State must consult—

(a) holders of licences under section 6(1)(a) of the Electricity Act 1989,

(b) the Authority, and

(c) such other persons as the Secretary of State thinks it is appropriate to consult.

(8B) Subsection (8A) may be satisfied by consultation before, as well as by consultation after, this Act comes into force.'.

Amendment 23, page 16, line 22, leave out subsection (9).—*(Joan Ruddock.)*

Clause 19

MODIFICATIONS: PROCEDURE

Amendment made: 24, in page 17, line 8, leave out Clause 19.—*(Joan Ruddock.)*

Clause 20

MODIFICATIONS: SUPPLEMENTARY

Amendment made: 25, page 17, line 35, leave out Clause 20.—*(Joan Ruddock.)*

Clause 22

FINAL AND PROVISIONAL ORDERS: APPEALS

Amendment made: 26, page 19, line 16, leave out subsection (10).—*(Joan Ruddock.)*

Clause 23

PENALTIES: APPEALS

Amendments made: 27, page 19, line 38, at end insert—

'(d) vary any date by which the penalty, or any part of it, is required to be paid.'.

Amendment 28, page 19, line 39, leave out subsection (4).

Amendment 29, page 20, line 14, leave out subsection (10).—*(Joan Ruddock.)*

Clause 25

EXPIRY OF POWER

Amendment made: 30, page 21, line 24, leave out subsection (8) and insert—

'(8) Before making a modification under subsection (7), the Secretary of State must consult—

(a) holders of licences under section 6(1)(a) of the Electricity Act 1989,

(b) the Authority, and

(c) such other persons as the Secretary of State thinks it is appropriate to consult.'.—*(Joan Ruddock.)*

Clause 27

ADJUSTMENT OF CHARGES TO HELP DISADVANTAGED GROUPS OF CUSTOMERS

Amendment made: 31, page 22, line 38, leave out subsections (8) and (9).—*(Joan Ruddock.)*

Clause 31

AMENDMENTS AND APPEALS

Amendment made: 32, page 25, line 22, leave out Clause 31.—*(Joan Ruddock.)*

Clause 36

COMMENCEMENT

Amendments made: 33, page 27, line 15, after 'Part' insert

', apart from section [Consequential amendments] (and the Schedule),'.

Amendment 34, page 27, line 16, leave out 'Sections 18 to 25' and insert 'The following provisions'.

Amendment 35, page 27, line 17, at end insert—

'(a) sections 18 to 25;

(b) paragraphs 7 and 8 of the Schedule (and, so far as relating to them, paragraphs 1 and 5 of the Schedule and section [Consequential amendments]).'.—*(Joan Ruddock.)*

New Schedule 1

CONSEQUENTIAL AMENDMENTS

Gas Act 1986 (c.44)

1 The Gas Act 1986 is amended as follows.

2 (1) In section 28(8) (orders for securing compliance), in the definition of "relevant requirement"—

(a) for", 33F, 41A or 41B" substitute "or 33F";

(b) at the end insert "or section 8 or 10 of the Energy Act 2010 (schemes for reducing fuel poverty) or sections 27 to 30 of that Act (adjustment of charges to help disadvantaged groups of customers)".

(2) Nothing in sub-paragraph (1)(b) is to be taken to limit the kind of provision that can be made by regulations under section 8 or 10 about enforcement of a requirement imposed by, or payment of a sum due under, the regulations.

3 Omit sections 41A and 41B (adjustment of charges to help disadvantaged groups of electricity customers).

4 In section 64(2) (provisions as to orders), omit "41A,".

Electricity Act 1989 (c. 29)

5 The Electricity Act 1989 is amended as follows.

6 (1) In section 25 (8) (orders for securing compliance), in the definition of "relevant requirement" —

(a) for ",42C, 43A or 43B" substitute "or 42C";

(b) at the end insert "or section 8 or 10 of the Energy Act 2010 (schemes for reducing fuel poverty) or sections 27 to 30 of that Act (adjustment of charges to help disadvantaged groups of customers)".

(2) Nothing in sub-paragraph (1)(b) is to be taken to limit the kind of provision that can be made by regulations under section 8 or 10 about enforcement of a requirement imposed by, or payment of a sum due under, the regulations.

7 In section 27 (validity and effect of orders), after subsection (8) insert—

"(9) Subsections (1) to (3) do not apply in the case of a final or provisional order that relates to a relevant condition imposed by the exercise of the power in section 18(1) of the Energy Act 2010 (prevention of exploitation of electricity trading and transmission arrangements).

(10) for provision about appeals relating to such orders, see section 22 of the Energy Act 2010."

8 In section 27E (appeals), after subsection (9) insert—

"(10) This section does not apply in the case of a penalty that relates to a relevant condition imposed by the exercise of the power in section 18(1) of the Energy Act 2010 (prevention of exploitation of electricity trading and transmission arrangements).

(11) For provision about appeals relating to such penalties, see section 23 of the Energy Act 2010."

9 Omit sections 43A and 43B (adjustment of charges to help disadvantaged groups of gas customers).

10 In section 106(2) (provisions as to orders), omit "43A,".

Utilities Act 2000 (c.27)

11 The Utilities Act 2000 is amended as follows.

12 In section 33(1) (standard conditions of electricity licences)—

(a) after paragraph (c) omit "or";

(b) after paragraph (d) insert "or

(e) under the Energy Act 2010."

13 Omit section 69 (help for disadvantaged groups of electricity customers).

14 In section 81 (2) (standard conditions of gas licences)—

(a) for "2004 or" substitute "2004,";

(b) after "2008" insert "or under the Energy Act 2010".

15 Omit section 98 (help for disadvantaged groups of gas customers).

16 In section 105 (general restrictions on disclosure of information)—

(a) in subsection (1), after "2004" insert "or Part 2 or section 28 or 29 of the Energy Act 2010";

"(b) in subsection (3)(a), after "2008" insert", Part 2 or section 29 of the Energy Act 2010".'. —*(Joan Ruddock.)*

Brought up, and added to the Bill.

Title

Amendment made: 36, in title, line 2, after 'technology;' insert

'to make provision about reports on decarbonisation of electricity generation and development and use of carbon capture and storage technology;'.—*(Joan Ruddock.)*

Third Reading

6.30 pm

Edward Miliband: I beg to move, That the Bill be now read a Third time.

I thank Members for their contributions since Second Reading. I particularly thank the Minister of State, Department of Energy and Climate Change, my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock)—who has done such a fantastic job in leading our work on the Bill—and the Under-Secretary of State for Energy and Climate Change, my hon. Friend the Member for Stafford (Mr. Kidney), for their able steering of the legislation. I also thank my hon. Friends, and Opposition spokespeople and Back Benchers, for their contributions.

The work that has been done has helped to strengthen the Bill in a number of respects. It has helped in relation to the scope of the CCS incentive, the reporting of progress towards decarbonising our electricity supply, and consumer protection. The relatively speedy passage of the Bill has been due partly to the able work done in Committee, and partly because it was designed as a short Bill that could make swift progress before a general election. Our task now is to send the Bill to the other place so that it can make further progress.

Lembit Öpik (Montgomeryshire) (LD) *rose—*

Edward Miliband: I want to deal with the main aspects of the Bill briefly, in view of the time and because other Members wish to speak, but I will give way to the hon. Gentleman.

Lembit Öpik: Obviously it is important for the Bill to be passed in the House of Commons, but does the Secretary of State accept that practical issues remain with which it cannot deal? I am thinking, for example, of the transport of equipment relating to wind turbines in my constituency, which is a very vexing issue. May I report to the Secretary of State after my ministerial meeting about it? It might be useful for him to understand, in the context of the United Kingdom as a whole, practical issues that concern local communities.

Edward Miliband: I admire the hon. Gentleman's characteristic ingenuity in inserting a question about the transport of wind turbines into a Third Reading debate. I look forward to hearing from him—even if it is too late for the purposes of the Bill—about what more can be done about that important issue.

The Bill contains a number of important provisions. The most important involves carbon capture and storage, and the levy to fund it. It should be emphasised that, by common consent, we now have the most environmentally ambitious coal conditions in the world, and I hope that we are nearing a growing consensus on conditions for new coal-fired power stations. It is important to send the message about investment in those stations.

[Edward Miliband]

Our framework is important not just because of the objective that carbon capture and storage should be ready for commercial deployment in 2020, but because of the demand. As my hon. Friend the Minister pointed out, no other country has produced the formulation that a substantial proportion of any new coal-fired power station must involve carbon capture and storage. We will not allow building of unabated coal-fired stations. I thank all Members, and indeed members of the wider community who take an interest in these important matters, for their campaigns.

The Bill represents a milestone in that regard, and it also represents a milestone because of the consumer levy. It will add 2 to 3 per cent. to bills in 2020—we should be up front about that—but it is the right thing to do if we are make the environmental progress needed in the power sector, and also to guarantee our energy security. We know that in today's world, the best form of energy security is low-carbon energy security, and we know that carbon capture and storage represents the only way we can achieve that in relation to coal.

The first and most important part of the Bill from Labour's point of view relates to the CCS incentive. However, we are aware that the low-carbon transition involves costs, and it is important for us to take all the action we can to protect consumers from those costs. There have been significant advances recently, such as those for people on prepayment meters; a number of Members have raised that matter in the House. A year ago, people on prepayment meters paid £41 more for their energy than standard credit customers; today that differential has, effectively, been eliminated.

There is much more to do, however, so the Bill makes a series of changes in a number of areas, including reform of the regulator's powers, sending a message to the regulator about the role of competition, but also including proactive work by the regulator. There is also the market power licence condition, to try to ensure greater fairness for consumers. Another of the changes—that to do with the information that must be given to customers—was debated on Report. That, too, has been a campaigning issue for Members. It is right that proper information should be provided to consumers. As has been said, either that will be done by Ofgem or it will have to be done by Government. We are sending out a clear message. This suite of new powers is very important. It significantly strengthens the ability of the regulator to ensure that the costs of energy are fair to all consumers.

Another aspect of the Bill that should be highlighted is the action on fuel poverty. A lot has been done on that, but at a time of higher energy prices, there are much greater upward pressures in respect of fuel poverty. We have taken action on incomes, prices and energy efficiency, but again, there is more to do. I should mention one important change. We have turned a voluntary commitment by the energy companies—negotiated by my predecessor in this policy area—to provide help for vulnerable consumers, into a compulsory or mandatory commitment. I suspect this power to provide a mandatory commitment to ensure fairness for the most vulnerable consumers will become more important as the years go by. We have set out a trajectory for the amount of money that will be spent under this power: in 2013-14 the total will be £300 million.

If I may hazard a prediction, I think that future Governments will find that this power becomes more important. It constitutes a redistribution to the poorest consumers, and it sits alongside other measures that we take to protect vulnerable consumers, such as the winter fuel payment. It is an important recognition that, at a time when the transition to low carbon imposes costs on consumers, we must do all we can to protect the vulnerable. It is a very important change, which will stand the test of time, and I hope it will be welcomed by all Members. There have also been amendments to the Bill clarifying that mandatory price support could provide help other than direct financial benefits.

It is a short Bill, but it puts in place important measures in respect of the transition to low carbon. The CCS levy delivers an unprecedented amount of investment, not just in Britain but around the world, into CCS, which is a crucial technology for the future. The strengthening of the powers of the regulator is essential moving forward, as we face upward pressures on prices. There is also specific support for the most vulnerable.

I have no doubt that in the remainder of the debate Members will say that lots of other measures should have been included in the Bill. That is, at least, what the Opposition said on Second Reading, but we can never tell whether there will be consistency. What is clear, however, is that this Bill takes important steps forward. The task now is to send the Bill to the other place and to get the legislation on to the statute book, because the task is urgent and we all must ensure that we make speedy progress.

I hope all Members will support the Bill. I think it makes important progress. We always welcome consensus on these issues, and I commend the Bill to the House.

6.39 pm

Greg Clark: I would love to say what I think should be in this Bill, but I think that you would prevent me from doing so, Madam Deputy Speaker, so I shall have to contain myself. We can at least agree, in the spirit of consensus, that the great advantage of a Bill that does not contain much is that it provides little with which to disagree—and that is the position this evening. As the Secretary of State says, on energy-related issues more than most there is an imperative for the Government and the Opposition parties to maximise the scope for long-term agreement.

I am glad to say that the Bill has occasioned some agreement across party lines, although that has not always necessarily involved the Front-Bench teams. Our most recent discussions have shown that the argument was won by my Conservative colleagues, and by the hon. Members for North Southwark and Bermondsey (Simon Hughes) and for Angus (Mr. Weir), even if the majority that the Government enjoy allowed them to push their proposal through. I hope that Ministers will reflect on that expression, which clearly portrayed the feeling of the House in that very good debate.

May I wholeheartedly join the Secretary of State in thanking all those who have worked on the Bill during its passage? I wish to express my particular thanks to my hon. Friend the Member for Wealden (Charles Hendry). As shadow Energy Minister he has outlasted several of his opposite numbers, and his knowledge and experience have clearly shone through, both today and

in his work on the Public Bill Committee. I pay tribute to all members of the Committee, in particular my hon. Friends the Members for Northampton, South (Mr. Binley), for Bournemouth, East (Mr. Ellwood) and for St. Albans (Anne Main), who took the often technical subject matter to heart and gave their all.

I am sure that we can look forward to the contributions of my hon. Friend the Member for Wealden for many Parliaments to come; but I am conscious also of the contribution made to the passage of this Bill by Members of the House who are stepping down at the forthcoming general election. The issues at stake in this Bill are of long-term importance and I wish to pay tribute to those retiring Members who served with distinction during the passage of the Bill. When future generations look back on this era and ask what our generation did about the energy and climate change crises of the 21st century, they will judge the record not only of Governments but of Parliaments. The judgment of history on us all will be the kinder for the contribution made by outstanding parliamentarians such as my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) and my hon. Friend the Member for East Surrey (Mr. Ainsworth).

I also recognise the consistent dedication of Members from all parties, in particular the hon. Member for Nottingham, South (Alan Simpson), whose contribution today showed that he is the most vertebrate—I use his description—of Members of this House, the hon. Member for Morley and Rothwell (Colin Challen), who is also stepping down and who has made a contribution to these debates, and the hon. Member for Sherwood (Paddy Tipping), who is also retiring as Chair of a Select Committee. Their presence will be much missed in the House, but I trust that they will continue to enrich public life in other ways.

With their work in mind, I wish that this Bill presented a more substantial legacy, but it is not entirely without substance. As the Secretary of State says, it provides a long-overdue framework for the demonstration of carbon capture and storage. Although we have lost ground to other countries, it is not too late for Britain to establish a leading position in this emerging global industry. If the Bill is passed, a Conservative Government would certainly not hesitate to use its provisions wherever that would be of help to the UK CCS industry.

The second main area of provision in the Bill concerns the role of Ofgem. Any clarification in that regard is welcome, because as things stand it is not clear who is responsible for what in UK energy policy. In particular, we have seen Ofgem take an increasingly high-profile role in shaping policy at the strategic level, especially through the Project Discovery exercise. It is, of course, better to have some part of the machinery of government taking a comprehensive view of our future energy needs than to have no part doing so, but that part ought to be in the Department, in support of Ministers who are democratically accountable to Parliament.

The third and final leg of the Bill deals with the introduction of schemes for the reduction of fuel poverty, including mandatory social price support. It is ironic that we should be legislating on this matter in the year that fuel poverty was due to be eliminated, according to some of the Government's targets: well, there we are. Some useful powers are included in this leg. The measures in the Bill to protect the most vulnerable customers are welcome as a last line of defence, but they do not constitute the cost minimisation strategy that should underpin energy policy. We would have liked the Bill to contain more on energy efficiency.

In our view, energy policy should have four main objectives: security, sustainability, economy and opportunity. Achieving all four will require an approach to policy that is both timely and comprehensive. The Bill is not timely but overdue, and it is not comprehensive but partial—yet every journey begins with a single step. This Bill takes more than a single step in the right direction. That is why, as it proceeds to another place, it does so with our support.

6.45 pm

Simon Hughes: May I join the Secretary of State and his Conservative opposite number in paying tribute to all those who have carried out this bit of work with mutual respect and courtesy in a businesslike way? Everyone who has participated has done so in that spirit. I thank the Ministers who led the Bill through Committee for their engagement with the issues. They did not always deliver what we wanted, but they were willing to answer questions. On one subject, they did not even deliver the document we wanted—the Government's policy on how all homes might be warm homes—although at least they promised that it was somewhere and would be seen one day. We will still be waiting.

I join the hon. Member for Tunbridge Wells (Greg Clark) in paying tribute to those colleagues who are not on the Front Benches. I pay tribute to them all in general, but want to single out two. Like the hon. Gentleman, I pay tribute to the hon. Member for Nottingham, South (Alan Simpson). He is not with us at this second, but throughout his career he has been unqualifiedly unrelenting in arguing methodically and effectively on these issues. We will miss him hugely in these debates. I am sad that he has decided to step down. I also pay special tribute to my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis), who served with me in Committee, as well as to my hon. Friend the Member for Cheltenham (Martin Horwood), who has supported me and performed today—*[Interruption.]* And he has just come back.

May I add one other name to those to whom I pay tribute? On Second Reading, David Taylor was with us and he participated in the debate. He took a great interest in this area of policy. I have not yet paid tribute to him but, on my behalf and that of my colleagues, may I add to the tributes that have been paid to him? Through his family, I want to say thank you for the efforts and contribution he made.

In summary, this Bill takes some good small steps in the right direction. Although it is clearly too little and too late, the steps are welcome. It is better that we go down the road of trying to have carbon capture and storage to deal with our coal industry in the future, although it is to be regretted that we missed by just nine votes taking the opportunity to add emissions performance standards. I hope that the House of Lords gets the Bill soon enough to be able to remedy that. In the House of Lords, of course, the Government do not have a majority.

I am pleased that the Government saw the need, at last, after much pressure, to put on a statutory rather than a voluntary footing for the energy companies

[Simon Hughes]

measures to try to reduce what is colloquially called fuel poverty. It is sad that in this country so many people still pay more than 10p in the pound or £10 in £100—the definition of fuel poverty—for their fuel bills. It is sad that the target for the most vulnerable has not been met, that the number in that level of financial difficulty has gone up, and that the targets set for 2015 will not be met. I hope that the Bill will have reminded everybody to increase their efforts to deal with that problem and I regret that we were unable to win the argument to obtain a commitment to a policy that would make every home in this country a warm home over 10 years from the end of the current schemes in 2012. My colleagues and I will continue to argue for that.

The greatest regret—although the Opposition parties' one success occurred in the same area—is that we did not manage to beef up the powers and effectiveness of the regulator. We achieved one success, in that the Minister of State was kind enough to recognise our request in Committee to require the energy companies to change the rules about pricing so that they must tell consumers in advance of any changes. The Government accepted that request and today we have amended the Bill to put that mechanism in it. That is welcome.

It is frustrating that other things that we think would have helped hugely to even out the balance between consumer and energy company—allowing easy comparison between tariffs, limiting the number of tariffs, stopping the veto power of the energy companies and showing, to expose the issue, how much profit the energy companies make from the individual consumer—have not been adopted. We will return to those issues.

The Bill was published on 19 November. It has taken three months to get it through the House even though there was willingness on both sides to make progress. It had its Second Reading on 7 December and left Committee on 21 January—more than a month ago. I sincerely hope that the Government will not be as dilatory in taking the Bill to the Lords and giving them the opportunity to improve it. We all understand the pressures of the last Session of a Parliament, but if the Government are serious about energy policy as a priority, we expect that to be reflected in the House of Lords.

Let me end on this point. Two of the three great future challenges for our country are climate security and energy security. The third is economic security—by definition, they come together. Unless we remain absolutely clear, as Front Benchers have, that the threat to the planet from climate change caused by human activities is so serious that we need always to take precautionary action, a much more serious position will face the next Parliament, the next Government—whoever they are—and the Governments after them. Front Benchers have a duty to stand together on this issue, and our friends on the Conservative Benches must be tough with their colleagues who do not appear to understand the urgency of these matters.

The Government, to their credit, understand the urgency. They came to the issue late, but they now understand where we need to go. I hope that people will understand in future that we need not just to legislate effectively and in advance of issues on the energy agenda, but to have policies that will change the use, abuse and waste of energy in this country so that we conserve it better and become far more efficient, as well as policies that will move us to renewables as fast as possible. I hope that, if that happens, energy policy will not be so controversial and that the risks to society will not be so great in the years ahead.

6.52 pm

Mr. William Cash (Stone) (Con): I have listened to the hon. Member for North Southwark and Bermondsey (Simon Hughes), but I must say that he seems not to have taken account of the genuine concerns about some of the assumptions that have been made about climate change. However, I shall not elaborate on that as there is no need to do so now.

I have taken an active interest in the whole energy question, and I agree with the hon. Gentleman on one point: energy security lies at the heart of our economic security. I commend everyone in the House for their realism on that point. However, I do not believe that wind farms, particularly onshore wind farms, are the right way in which to achieve part of that energy security. That applies particularly in environments such as my constituency where, to put it bluntly, they are totally unjustified.

I acknowledge that there should be an energy mix and that offshore wind farms have some merit. I suspect from my previous exchanges with the Secretary of State that he agrees with me about carbon capture, about which I have campaigned for as long as I can remember. I believe profoundly in British coal, which should be part of our energy security and part of our foreign policy, and I applaud those who are in favour of it, including those in Government circles. If we can develop proper carbon capture methods and get things right, we will be able to supplement the energy security that we really need. Those of us who are rather more sceptical, to say the least, about climate change as a whole will none the less acknowledge certain changes. It has been pretty cold recently, as I am sure people will acknowledge. There are important issues in the mix; carbon capture is definitely a plus, and wind farms are definitely a minus.

6.54 pm

Mr. David Heath (Somerton and Frome) (LD): I want to make a small contribution to Third Reading. First, I welcome the Bill. The Government are to be applauded for the steps that they are taking in it, as carbon capture and storage is a crucial area. I applaud the fact that they are pushing ahead with this agenda in this country, and I know from my personal involvement that they are also actively arguing the case in other countries, in particular the US. The UK is showing a crucial bit of evangelical zeal in persuading others that we need to embrace this technology as part of the mix.

I also welcome the measures on fuel poverty. I will not rehearse the arguments contained in my ill-fated Bill of last Session, other than to say that I wish that the Government had embraced it. However, these measures are, once again, a step in the right direction, and I am pleased that at least some requirements are being put on the energy supply companies.

If I may say so, however, the Bill contains a big lacuna with regard to the fuel oil and liquefied petroleum gas used by people who live in rural areas such as the one that I represent. The continuing problem

is that the people who can least afford it have to pay the most for the most expensive fuel, and we need to address that.

My final point has been touched on by others. This Bill is part of getting the whole mix right, especially in the encouragement that it gives to all forms of renewable forms of energy, but there are still inconsistencies in the Government's approach. I was a strong supporter of feed-in tariffs: I believe that it was right to introduce them and I am pleased that the Government finally adopted them, but I want to say a word on behalf of one small group of people engaged in renewable energy generation in my constituency. They use micro hydro to generate electricity and power. They often bring historic buildings back into use, but they are faced with a feed-in tariff system that involves a microgeneration certificate scheme that is wholly impractical and which in fact acts as a deterrent. Only this week, I had a message from one of them to say that they get 12p per kWh at the moment but that, as a result of the feed-in tariff, they will get only 9p.

I honestly do not think that reducing income by 25 per cent. is a good way to encourage people down a path that we want them to take. I would very much welcome an opportunity to see a Minister about that in the near future, if at all possible. I would like to bring along a group of the people engaged in micro hydro, so that the Government can understand their problem and make sure that their arguments are understood.

Edward Miliband *indicated assent.*

Mr. Heath: I see the Secretary of State nodding, and I am most grateful for his assertion that he would be willing to see a delegation from my constituency. I shall make immediate arrangements so that we can put that meeting in place before the election. That was the major point that I wanted to make. Having secured that agreement, I think it entirely proper that I sit down.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Sylvia Heal): With the leave of the House, we shall take motions 3, 4, 5, 6, 7, 8, 9 and 10 together.

Motion made, and Question put forthwith (Standing Order No. 118 (6)),

Climate Change

That the draft CRC Energy Efficiency Scheme Order 2010, which was laid before this House on 19 January, be approved.

Public Health

That the draft Health Protection (Part 2A Orders) Regulations 2010, which were laid before this House on 19 January, be approved.

That the draft Health Protection (Local Authority Powers) Regulations 2010, which were laid before this House on 19 January, be approved.

That the draft Health and Social Care Act 2008 (Consequential Amendments) Order 2010, which was laid before this House on 19 January, be approved.

Social Security

That the draft Jobseeker's Allowance (Lone Parents) (Availability for Work) Regulations 2010, which were laid before this House on 20 January, be approved.

Countryside

That the draft Access to the Countryside (Coastal Margin) (England) Order 2010, which was laid before this House on 20 January, be approved.

Environmental Protection

That the draft Environmental Permitting (England and Wales) Regulations 2010, which were laid before this House on 25 January, be approved.

Representation of the People, Scotland

That the draft Representation of the People (Scotland) (Amendment) Regulations 2010, which were laid before this House on 27 January, be approved.—*(Mr. Heppell.)*

Question agreed to.

Madam Deputy Speaker (Sylvia Heal): We now come to motion 11.

Mr. John Heppell (Nottingham, East) (Lab): I beg to move, That this House do now adjourn.

Madam Deputy Speaker: No. Motion 11.

Mr. Heppell: I beg to move.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

Alternative Investment Fund Managers

That this House takes note of European Union Documents No. 9494/09 and Addenda 1 and 2, Draft Directive on Alternative Investment Fund Managers and amending Directives 2004/39/EC and 2009/.../EC, and No. 15162/09, Opinion of the European Central Bank of 16 October 2009 on a Draft Directive on Alternative Investment Fund Managers and amending Directives 2004/39/EC and 2009/.../EC; and endorses the Government's approach in seeking agreement to the Directive.—*(Mr. Heppell.)*

Madam Deputy Speaker: The question is as on the Order Paper. As many as are of that opinion say Aye. [Hon. Members: "Aye."] Of the contrary, No. [Hon. Members: "No."] Under the Orders of the House relating to deferred Divisions, the Division is deferred until half past 12 o'clock on Wednesday next.

Martin Horwood (Cheltenham) (LD): On a point of order, Madam Deputy Speaker. It is not yet 7 o'clock.

Madam Deputy Speaker: That is true; I acknowledge that we are not quite at 7 pm. I was somewhat misled by the earlier comments.

The House divided: Ayes 272, Noes 63.

Division No. 88] **[6.59 pm**

AYES

Ainger, Nick	Armstrong, rh Hilary
Allen, Mr. Graham	Austin, John
Anderson, Mr. David	Bailey, Mr. Adrian
Anderson, Janet	Bain, Mr. William

Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brake, Tom
Brennan, Kevin
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Butler, Ms Dawn
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Featherstone, Lynne
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, Andrew
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Goggins, rh Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hall, Patrick
Hamilton, Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Ladyman, Dr. Stephen
Lamb, Norman
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Miliband, rh Edward
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, Mrs. Betty
Williams, Mark
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Lyn Brown and Kerry McCarthy

NOES

Amess, Mr. David
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brokenshire, James
Cash, Mr. William

Clappison, Mr. James
Clark, Greg
Cox, Mr. Geoffrey
Dodds, Mr. Nigel
Drew, Mr. David
Dunne, Mr. Philip
Evans, Mr. Nigel
Fabricant, Michael
Francois, Mr. Mark
Gale, Mr. Roger
Gillan, Mrs. Cheryl
Gray, Mr. James
Green, Damian
Greening, Justine
Gummer, rh Mr. John
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hendry, Charles
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Howell, John
Kawczynski, Daniel
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Luff, Peter
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Mitchell, Mr. Andrew
Pritchard, Mark
Randall, Mr. John
Rosindell, Andrew
Simmonds, Mark
Skinner, Mr. Dennis
Stanley, rh Sir John
Steen, Mr. Anthony
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Turner, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walter, Mr. Robert
Watkinson, Angela
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, Mr. David
Wilson, Mr. Rob
Young, rh Sir George

Tellers for the Noes:
Mr. Andrew Robathan and Mr. Stephen Crabb

Question accordingly agreed to.

PETITIONS

Spinal Cord Injuries (Physiotherapy)

7.13 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): The organiser of this petition, Mr. Wayne Evans, has himself determinedly fought the effects of spinal cord injury. I am therefore very pleased to read the petition, which states:

The Petition of People of the London Borough of Croydon,

Declares that there is no provision within the NHS outpatient physiotherapy services of an ongoing exercise regime to improve overall health, fitness and wellbeing for persons with a spinal cord injury; further declares that the petitioners believe that, without such a regime, such persons will undoubtedly in the future require continuing NHS health care services as inpatients.

The Petitioners therefore request that the House of Commons urges the Government to take steps to ensure that such an ongoing exercise regime is made available by the NHS outpatient physiotherapy services to all persons who have a spinal cord injury.

And the Petitioners remain, etc.

[P000740]

Station Footbridge Repair

7.15 pm

Mr. Ian Liddell-Grainger (Bridgwater) (Con): This is a petition on behalf of the people of Watchet and the West Somerset railway, signed by 1,200 of my constituents.

The petition states:

The Petition of Residents of Watchet and others,

Declares that the footbridge at Watchet station is closed at present, because it is unsafe to use; declares that the closure is seriously inconvenient to residents and could endanger safety; further declares that there is a risk that the footbridge at Watchet station will be lost permanently, because insufficient funds are available for its safe repair and maintenance.

The Petitioners therefore request that the House of Commons urge the Government to take steps to assist and encourage the West Somerset District Council to repair the footbridge as soon as possible.

And the Petitioners remain, etc.

[P000742]

Gaza

7.15 pm

Mark Williams (Ceredigion) (LD): The petition was collected by Mrs. Elizabeth Morley of Ceredigion and others, and it is concerning Israeli actions in the Gaza strip.

The petition states:

The Petition of the people of Ceredigion,

Declares that the Government should fulfil its responsibilities as a high contracting party to the 4th Geneva Convention.

The Petitioners therefore request that the House of Commons urges the Government to immediately take steps to institute a war crimes investigation in the UK into Israeli attacks on the Gaza Strip between 27th December and 18th January 2009, and for the UK prosecuting authorities to search out and prosecute (or extradite for trial elsewhere) all suspected war criminals identified by the investigation; and urges the Government to seek a binding resolution at the UN Security Council to establish an international commission of inquiry into the Gaza attacks and the referral of potential cases to the International Criminal Court.

And the Petitioners remain, etc.

[P000741]

Beam Park West Prison Site

Motion made, and Question proposed, That this House do now adjourn.—*(Mrs. Hodgson.)*

7.16 pm

Jon Cruddas (Dagenham) (Lab): I must admit that I find myself in a slightly strange position, in that the concerns that led me to seek this debate have actually been resolved. The case of the Beam Park West prison site demonstrates that sometimes in Parliament, one can be overtaken by fast-moving events.

I shall explain. I requested this Adjournment debate on 9 February and it was granted on 11 February. The idea was to present a reasoned, constructive contribution to the ongoing debate regarding the proposed Beam Park West prison, which was planned to be located in Dagenham, in my constituency. I also wanted, again in a rational way, to articulate some of the many concerns that had been raised with me locally and give a voice to local residents in a process that, like the siting of any proposed prison, has been difficult. I anticipated that the debate would give me a chance to lay out the responses that we had received to our local consultations on the plans, not least because the local authority consultation finished earlier this week.

However, on 12 February, the Ministry of Justice announced that it would not proceed with the proposed prison development, which accounts for the strange position that I find myself in this evening. I readily concede that the decision was not singularly driven by the agreement of the parliamentary authorities to this somewhat small, insignificant debate in the parliamentary calendar. However, as a politician I am quite prepared to take credit—even I realise that it is an unlikely turn of events, though. I doubt that my being awarded the debate was a determining factor in the process of public policy making in the MOJ.

Joking aside, the announcement on the 12th of this month somewhat alters the nature of my contribution. Instead, I now wish to take this opportunity to place on record, on behalf of many thousands of my constituents, my deep appreciation of and thanks to Ministers and officials for their open dialogue with us regarding the proposed project, over an arc of 10 months. I also wish to put on record my gratitude to local people for their thoughtful and constructive contributions throughout the discussion, despite blatant and cynical electioneering by another political party—not necessarily the Opposition. Finally, I shall raise a number of points on the process and the future of the Beam Park West site.

It would be useful at the beginning briefly to review the cycle of events regarding the proposed prison development. On 27 April 2009, the Ministry of Justice announced Beam Park West as the designated site for a 1,500-inmate, category B prison, the rationale being the projected prison expansion to 96,000 inmates by 2014 and the need for extra capacity. The Government announced the need for five new prisons, or 7,500 places, alongside the closure of 5,000 inefficient places. On Monday this week, the Justice Secretary returned to that subject when discussing prisoner early release schemes. The current prison population stands at some 83,800, which is up from 60,300 in 1997. We now have well over 86,000 places in terms of operational capacity. He reiterated this week that the plans for 2014 are on track given the capacity building programme.

Following the April announcement, we raised a series of technical issues regarding the proposed development, including the required transport infrastructure, not least because of earlier community fears that the new Mayor of London was not necessarily in favour of the extension of the docklands light railway to Dagenham and beyond. We were also concerned about the costings of the project; the implications of the time line of the development for the local community; the planning process, not least because of the existence of an urban development corporation in east London; and the land remediation and decontamination that would be required because the development would have been on the old Ford car plant site. Moreover, we raised questions on the consultation process that was envisaged and many other issues, including how to get local people genuinely involved and to feel that they had a stake in the process.

I met the appropriate officials a number of times, as well as the Secretary of State, the Minister and her predecessor. To his great credit, the Secretary of State visited the site in October 2009. He canvassed opinion and discussed the concerns of the local people by literally going door to door in the community opposite the proposed prison site. That was a most impressive and honest contribution to the debate, and it was very much appreciated in the locality.

At the same time, technical analysis of the site revealed the scale of possible flooding and the decontamination required. Dealing with those problems would have added to the cost of what was already a £1.2 billion project, excluding VAT and the cost of purchasing the site.

That led to the 12 February announcement, but a couple of earlier developments are worth noting. There was an earlier plan for an 800-inmate prison on the Beam Reach 5 site, which literally lies a few hundred yards from the site we are discussing tonight but which is in the neighbouring London borough of Havering. Following the publication in December 2002 of Lord Carter of Coles's report, "Securing the future: Proposals for the efficient and sustainable use of custody in England and Wales", a list of potential sites for 2,500-place Titan prisons was drawn up. It was subsequently revealed under a freedom of information request that that list included no fewer than 12 sites, but not the Beam Park West site. That was acknowledged in a written parliamentary answer on 1 June.

The Beam Park West site was identified during an exercise to identify potential sites for a prison in London—a search that was undertaken jointly with the London Development Agency. Of interest here is the revelation in a written answer on 3 June that that joint search followed a meeting between MOJ officials and the Mayor of London in mid-2008. The suggestion that has been made to me is that the Beam Park West site was preferred by the Mayor of London to the earlier site, which was confusingly known as Beam Reach 5 because it was situated in the London borough of Barking and Dagenham rather than in Havering. I do not know whether that is true, not least because the Mayor did not respond to me regarding that and a number of other issues related to the proposed prison. However, it is curious that the Beam Park West site was identified even though it was not on the earlier extensive site list, and following a meeting with the new Mayor, who had in turn been heavily lobbied by the neighbouring borough prior to becoming Mayor. I simply suggest that the

move was the result of a nudge across a borough border following a discussion with the new Mayor. That should not be the source of any local celebrations. Interestingly, the new location was much closer to many of the Havering residents in South Hornchurch and Elm Park than the earlier identified site location. Indeed, the proposed second prison would have been much bigger—not an insignificant factor for local residents. I raise this point not least because a letter to the Mayor containing a series of questions about his involvement in this process remains unanswered.

Given the announcement of the Beam Park West site on 29 April, the task at hand was to create opportunities to contribute and measure the community responses regarding the proposed new site—not in a melodramatic way, shouting and screaming, but to seek a thorough understanding of local feelings about the proposition. To that end, we decided to survey some 32,000 households in the local community, covering some 65,000 individual residents. The Barking and Dagenham council also decided to consult formally the residents in the two specific wards located next to the proposed site, Village ward and River ward.

The responses to the consultation were overwhelming. We received more than 17,000 responses to our surveys of local opinion. More than 90 per cent. of the responses were against the proposed development, mostly on the grounds of its residential setting, but also because the local council had earmarked the site for major sports facilities for local people. A Facebook group registering concerns regarding the proposed development managed to secure well over 14,100 participants. With the aid of an online survey, as well as petitions and responses to other leaflets, we offered various opportunities for local contributions to be made.

Moreover, more than 1,000 responses were made to the council survey in the two wards surveyed. In the latter survey, 8 per cent. of those responding backed plans for the use of the site for the proposed prison development. Some 76 per cent. of the Dagenham residents surveyed signalled support for the council's plans to use the site for housing, small industrial units and community facilities. The council are now seeking a meeting with the Mayor of London and senior executives of the London Development Agency to fast forward the regeneration of this site to benefit the local community.

James Brokenshire (Hornchurch) (Con): I very much welcome this decision. As the hon. Gentleman has said, the Beam Park West site lies on the border between our constituencies. He has rightly pointed out the opposition to the original plans for Beam Park West in his constituency. I presume that he is also aware of the opposition in places such as the Mardyke estate in South Hornchurch, which is also very proximate. Does he share my view that this decision puts the issue to rest and will hopefully allow the regeneration of this part of the Thames Gateway along the A1306, which is in need of investment, jobs and skills?

Jon Cruddas: I agree, and while I have some concerns about the Mayor's position, I do not seek to make any party political points across the Chamber tonight. The hon. Gentleman and I have a genuine shared interest, because local residents have felt dumped on during the prospective planning changes, and we need to offer some hope in terms of regeneration that can change the nature of the community more positively than people feared—as they made clear in various surveys of the proposals for the prison.

I have several conclusions from our experience since April last year. First—and this is not said often enough in this place—I wish to put on record my appreciation for the work of the Department, the Secretary of State, the Minister of State and their respective officials. At every turn, questions have been answered, views have been respected, meetings have been organised and contributions welcomed in the broader discussion.

I think that I can tentatively suggest that, in April, the process did not begin that well. The decision to build the prison on the site was announced at very short notice. Notwithstanding that, however, at every stage, the Department has respected the concerns of local people and listened courteously. That needs to be said. It was very much to the credit of the Secretary of State that he came down and walked the site, and most importantly listened to the concerns of local people. I would like to say thank you, on behalf of local people, for how the process has been handled, notwithstanding the slightly bumpy start. That is a great credit to the Department and the Government themselves. Early difficulties have been more than compensated for by the subsequent desire of the Department to involve and listen to local people.

Briefly, I would like to put on the record my appreciation of the approach adopted by the London borough of Barking and Dagenham. At every turn, it has sought to listen to local concerns and to articulate them to the Government in an informed and measured way. It refused to assume that the decision was a given, and sought to raise technical issues regarding, for example, planning, flooding, proximity to residents and how it related to future housing and infrastructural developments in south Dagenham and across the Thames Gateway, as the hon. Member for Hornchurch (James Brokenshire) mentioned.

The announcement of the site location, on 27 April, occurred on the day that a new council leader was appointed in the borough of Barking and Dagenham. Liam Smith, the council leader, was actually the councillor in the River ward in Dagenham, and became the leader a few hours after the announcement—actually without any knowledge of the decision in his own ward. It was a major test for the new leader, and I suggest that he has done a great job in providing a balanced, measured response and articulating the concerns of his ward residents and the wider community.

The calm reporting of the local papers—the *Barking and Dagenham Post*, the *Barking and Dagenham Recorder* and the *East London Advertiser*—also deserve to be acknowledged, as we reach the end of this process. Again, I want to record my thanks to them throughout these difficult months. Most importantly, however, I would like to thank all the local people who made a contribution to this debate. Thousands and thousands of local people have taken the trouble to contribute, to e-mail, to respond to surveys, to phone and to sign petitions. The tenor of the contributions throughout has been mature and thoughtful. It is a credit to the people of Barking and Dagenham and the southern part of Havering that they have made their contributions in such a constructive form. These contributions have been a credit to the community, and I salute the people for the way they have come together to form a voice.

[Jon Cruddas]

Finally, however, I would like to register a note of concern that is very much alive in the community. On 10 June, the London Assembly called on the Mayor to oppose the plans for the prison. This was proposed unanimously. Yet we heard nothing from the Mayor. Indeed, I find it curious that the Secretary of State was prepared to meet local residents and discuss the issues and that the Major never entered into such discussions in my constituency. Moreover, following the Mayor's announcement we have heard nothing from him apart from grumbling about prison capacity—in effect, opposing the 12 February announcement. Indeed, the Mayor was in the borough last week and said nothing on the prison decision.

The Beam Park West site is London Development Agency land controlled by the Mayor. We know that he met Ministry of Justice officials prior to this site being designated and that other parties saw the relocation of the prison to the Beam Park West location as a local victory. Many people locally can only conclude that the Mayor actually wants to locate the prison on this site in Barking and Dagenham. Indeed, the shadow Justice Secretary said this week, in the Chamber, that the decision

"leaves a gaping hole in the Government's plans."—[*Official Report*, 22 February 2010; Vol. 506, c. 29.]

The implication of that viewpoint, alongside the muteness of the Mayor since 12 February, is that this prison plan could be dusted down and re-presented depending on the election results in a few weeks' time. That is a real concern locally, and the next stage of our campaign is to develop alternative uses for the land for the benefit of the local community.

Overall, I do not want that last point to detract from the real appreciation in the community for the recent Government decision. I personally respect the way the Department has handled this issue. Most importantly, I want to pay credit to my constituents for how they have engaged with this issue, the outcome of which is a tribute to local democracy and, more generally, public policy making in this country. Thank you very much.

7.34 pm

The Minister of State, Ministry of Justice (Maria Eagle): I begin by congratulating my hon. Friend the Member for Dagenham (Jon Cruddas), who spoke in a typically modest way about his own contribution to this story. It can be characterised as a success on his part in representing the views of his constituents well. He set out the extent to which he consulted them, and the extent to which they responded to that consultation. So I would like to begin by congratulating him on securing the debate, and thanking him for his remarks.

In particular, I thank my hon. Friend for his kind remarks about my officials in the Department, who do a tough job, and do it well. They have to face such matters day in, day out, in different parts of the nation, while seeking suitable sites for our prison developments. It is not always an easy job to have to face various opinions expressed by people who might or might not want a prison located somewhere near them, but it is a job that my officials do very well, and with great professionalism. I therefore add my thanks to those that my hon. Friend has put on the record for the professional job that my officials do.

It is certainly correct to say that Adjournment debates rarely, if ever, lead to enormous shifts in policy, and it must be said that my hon. Friend's suspicion that this debate might not lead to the change in policy is probably correct. However, it is certainly the case that an Adjournment debate can be the final straw in getting points across—in this case that has happened as part of a campaign during which he has sought to represent the views of his constituents—and getting them across in such a way that the Department can hear them, as he has acknowledged has happened.

On 27 April 2009 my right hon. Friend the Secretary of State for Justice and Lord Chancellor announced plans to build five 1,500-place prisons, as part of a programme to increase prison capacity to 96,000 places by 2014. Those prisons will be safe, secure and effective places—the prison that we were considering at Beam Park West would have been category B—that can help prisoners to deal with their offending and develop the work, education and life skills, which they may have been missing, that they need to turn their lives around. My right hon. Friend also announced that our Department was working to secure sites for the first two of those prisons—one at Runwell, in the borough of Chelmsford in Essex, and one at Beam Park West, in the London borough of Barking and Dagenham.

Those sites were chosen not out of convenience, or in an attempt to cause trouble for the hon. Member for Hornchurch (James Brokenshire) or my hon. Friend the Member for Dagenham. We try to build prisons so that prisoners can serve their sentences closer to their home areas. There is no doubt that there is a dearth of prison places in and around London, so we need sites in the area—suitable sites, of course—on which to build more places and ensure that offenders from in or around London have a chance to serve their sentence in a prison closer to home. We know that ensuring that capacity increases the chances that those serving sentences of imprisonment will be more able and more likely to reintegrate successfully into society, put their offending behind, and learn to live law-abiding and useful lives when they come out. That is why we are searching in and around London for sites for prisons.

However, as the announcement of 12 February 2010 has shown, there is nothing to say that we have fixed views about the particular sites that we investigate. It is perfectly normal for us to investigate a site, declare an intention to build on it and then find that it is not suitable for various reasons, or that other issues have led us to re-evaluate our initial interest.

The Beam Park West site was originally identified following a site search exercise in the London area, which initially found it to be an appropriate location for the development of one of our 1,500-place prisons. We subsequently undertook some due diligence work on the site, including environmental investigation work. That work demonstrated that the flood risk on the site was higher than had previously been thought, and indicated that the required mitigation was likely to be more extensive and costly than was originally envisaged. That also presented a planning risk for the site, along with other factors, such as the allocation of the site for housing in the emerging local development plan.

We have also listened to the views expressed by local residents since our interest in the site was announced, although we were yet to conduct a full public consultation into the proposals. I might add that it is a bit difficult to see how we could have conducted a more comprehensive consultation on the proposals than my hon. Friend the Member for Dagenham instigated himself. We should thank him for his efforts in that regard, because he has enabled us fully to understand the local concerns without having to conduct our own consultations.

In the light of all these considerations, the decision was taken not to proceed with the site at Beam Park West. In October last year we announced that we would begin a new site search exercise for further sites in the priority areas of London, north Wales, the north-west and west Yorkshire, with the purpose of identifying sites on which to build new prisons closer to the homes of the offenders we expect to serve their sentences in them.

As I said, there is a significant shortfall of prison places in London, and it therefore remains very much a priority area for new prison places. There are currently around 11,400 more prisoners from London than places available in the capital, and the most recent population projections show that the numbers of prisoners from London could increase further by mid-2015. In the light of that, we are still looking for good suitable sites in and around London. Locating new prisons in the greatest areas of need will allow us to keep prisoners closer to their home areas. This will help to ensure that important family ties and other links with local communities can be maintained, which will assist with prisoner rehabilitation.

Work on identifying sites in or near the key search areas is under way, and I expect to be able to announce a shortlist of suitable sites in the summer. I want to make it clear to all hon. Members that we are committed to being as open and transparent as possible about these sites. I hope it will be possible for any other hon. Member, at the relevant time, if they have reason to discuss these matters with us when we identify further sites, to report the same experience as my hon. Friend has conveyed to the House today, of our openness and transparency.

Once a site has been identified, consultation with local MPs, local authorities and residents will be undertaken in order to achieve the most open and transparent process possible. I know that an announcement that we are seeking to build a prison in a particular place is not always popular, although it can be more popular in some places than in others. There is variation in the response that we receive. Once consultation has been concluded, and all the views have been taken into account and the due diligence has been done, if development is considered to be appropriate, we will seek to acquire that site with an appropriate planning consent, and to build the prison. The Government remain committed to providing more prison places to ensure that the most dangerous, serious and persistent offenders are locked up, and we are still on track to provide 96,000 places by 2014.

I am happy to be able to respond to my hon. Friend's debate this evening by saying that in my experience as Minister for prisons, rarely has a campaign been so effective and totally successful in what appears to me to have been quite a short time—although it must have appeared to him to be an age. I shall finish by congratulating him on that effort, and by saying that his input has been valuable in conveying to us the views of his constituents and the local stakeholders in the area. We thank him for that, and we will continue to be open and transparent about our intentions in respect of particular sites, which we are still seeking.

Question put and agreed to.

7.44 pm

House adjourned.

House of Commons

Thursday 25 February 2010

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES BILL [*LORDS*]
(*BY ORDER*)

Second Reading opposed and deferred until Thursday 4 March (Standing Order No. 20).

Oral Answers to Questions

ENERGY AND CLIMATE CHANGE

The Secretary of State was asked—

Fuel Poverty

1. **Mr. Douglas Carswell** (Harwich) (Con): What recent estimate he has made of the level of fuel poverty in the UK. [318540]

5. **Mr. David Amess** (Southend, West) (Con): What recent estimate he has made of the level of fuel poverty in the UK. [318544]

6. **Mr. John Baron** (Billericay) (Con): What recent estimate he has made of the level of fuel poverty in the UK. [318545]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): The estimated number of households in fuel poverty in the UK was around 4 million in 2007, the latest year for which figures are available.

Mr. Carswell: Three and a quarter million of those 4 million households in fuel poverty are designated as being vulnerable households. How are the Government going to meet their 2010 target for eradicating fuel poverty in such households, if that is still possible?

Mr. Kidney: We have to recognise the additional challenge that has been set by rising energy prices over the past few years, but we still intend to work as hard as possible for those vulnerable households, giving help through the obligation on suppliers to insulate homes and through Warm Front, through which we directly fund home insulation. We are also giving help through people's incomes by means of measures such as the winter fuel and cold weather payments, and through the control of prices, including the present voluntary agreement, which we are seeking to turn into a mandatory social price support scheme through the Energy Bill.

Dr. Alan Whitehead (Southampton, Test) (Lab): Does my hon. Friend accept that a large element of fuel poverty relates to the energy efficiency of the homes in which fuel-poor people live? Does he also accept that efforts to ensure that those homes are made properly energy efficient are a vital part of our attack on fuel poverty? What is his assessment of the likely impact of community energy response teams, community energy saving programmes, and other schemes, such as the Great British Refurb, on improving the energy efficiency of homes?

Mr. Kidney: I agree that the most sustainable way of helping people to stay out of fuel poverty is to ensure that their homes are energy efficient. That is why we have concentrated so much on the energy companies' obligation, under which more than 6 million homes have been insulated. Another 2 million have been insulated under Warm Front. The community energy saving programmes scheme is also important in guiding us towards choosing the best policy for sustainable energy programmes, which we intend to reveal shortly in our latest strategy.

Mr. Amess: As the promoter of the Bill that became the Warm Homes and Energy Conservation Act 2000, I am naturally disappointed that the targets that were set will not be reached this year. The Department is undertaking a review, so will the Minister tell the House when the results will be announced? What instructions will be given to officials to ensure that the strategy is put back on track?

Mr. Kidney: I pay tribute to the hon. Gentleman, who has a long and distinguished record of campaigning on these issues in the House and outside it. He is right to say that we are undertaking a review of our present policies to see whether they can be made more effective, or whether we need new ones. I am giving evidence to the Select Committee in March, and I hope to be able to talk about the emerging findings of the review at that time.

Mr. Baron: In order to fight fuel poverty, Ofgem is now going to force energy supply companies to print on customers' bills details of how their tariff compares with the company's standard direct debit tariff. Why will that information be given out only on an annual statement? That will discriminate against active switchers who might not get such a statement because they have not been with a company for 12 months.

Mr. Kidney: Again, I think that praise is called for. The hon. Gentleman knows that I wrote to him to praise his campaigning on the issue of supplying information to customers, and I am happy to take this opportunity publicly to do so again. The annual reports start this year, so it is perhaps a little early for us to say that it is not a good enough scheme. Every energy bill will contain information about consumption and costs to customers, and I am working with Consumer Focus, the watchdog and champion of all consumers, on improving the quality of such information so that we will be able to give better information to members of the public every day of the year.

Dr. Gavin Strang (Edinburgh, East) (Lab): Does my hon. Friend agree that there are three components of fuel poverty: dwelling energy efficiency, fuel prices, and household income? Should not Opposition Members recognise that, although things are harder because of fuel prices, a lot more people would be living in fuel poverty if it were not for the increases in child benefit, the working tax credit and the winter fuel allowance?

Mr. Kidney: My right hon. Friend is right about those three issues, and this Government have been determined, even during the worst global recession of my lifetime, to maintain spending on measures such as the winter fuel payment and child tax credits. Such payments have helped vulnerable consumers to pay their bills.

Natascha Engel (North-East Derbyshire) (Lab): Given that, when we talk about fuel poverty, we are actually talking about poverty itself, what specific measures are being targeted at people who live in council houses?

Mr. Kidney: My hon. Friend is right to say that general poverty is an important issue for the Government to address, which is why we have worked so hard to eradicate pensioner poverty. Now we are even legislating to eradicate child poverty in this country. We pay attention to helping council house tenants, through the payment of their rent and council tax through the benefits that we offer them.

Simon Hughes (North Southwark and Bermondsey) (LD): It is nearly 13 years since the beginning of this Labour Government, and is it not a sign of the priority that they have given to dealing with the massive fuel bills that customers regularly receive—we still have no strategy to make every home a warm home—that within three months of the end of this Parliament there is still no coherent Labour policy on the issue?

Mr. Kidney: Now come on. We have arranged, through the energy supply companies' obligation, for insulation to more than 6 million homes. Through Warm Front, we have directly funded insulation for an additional 2 million homes. We have a policy that every home with a cavity wall or loft that is uninsulated will be insulated by 2015. Having dealt with those so-called easy wins, we recognise that the next issue for us to tackle is hard-to-treat properties, such as those requiring solid wall insulation. Our strategy, which we will unveil shortly, will show how we will address those matters too.

Charles Hendry (Wealden) (Con): I thank the Minister for his kind words to my hon. Friends the Members for Southend, West (Mr. Amess) and for Billericay (Mr. Baron) for their campaigning on fuel poverty issues. Has he seen the recent report by Ofgem showing that the number of customers falling into debt on their electricity bills has increased by 105 per cent. on the previous year, and by a shocking 147 per cent. in the case of gas customers, and that those figures are getting worse? Does he recall the Secretary of State brushing aside our calls in 2008 for a Competition Commission investigation into energy prices, saying that it would cause two years of uncertainty? Does he accept that such an investigation would have been completed by now, and we could have had real evidence about the level of electricity and gas prices rather than the understandable suspicion and anxiety?

Mr. Kidney: No. The investigation by the Competition Commission of the domestic oil companies took five years from complaint until remedies. In fact, Ofgem conducted a probe, completed its conclusions and issued the new licence conditions, which are now all in force, in less than two years. I completely reject the hon. Gentleman's suggestion.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. Friend will be aware of the profit results announced by British Gas today. Does he agree that now is the time for energy companies such as British Gas to cut their prices to consumers?

Mr. Kidney: I completely agree with my hon. Friend. We have just come through one of the most severe winters for decades, with customers struggling to pay their high energy bills. Any help that energy companies can give to those customers at this difficult time is welcome. As we can see from energy companies' profit results, they can afford that help, so others should follow the lead that British Gas gave earlier this month and cut their prices now.

Gas Storage

2. **Mr. Andrew Mackay** (Bracknell) (Con): How much additional gas storage capacity he expects to become available in the UK by 2012. [318541]

The Secretary of State for Energy and Climate Change (Edward Miliband): National Grid's recent "Ten Year Statement 2009" expects just over 0.5 billion cubic metres of additional gas storage capacity to be commissioned by 2011-12, or an addition of more than 10 per cent. to capacity, including Aldbrough, which will be the second largest facility in the country. In addition, 20 other projects are planned for completion beyond that date, including the Gateway project, which will provide 1.5 billion cubic metres of extra capacity by 2014. That storage capacity is on top of the increase in import capacity in recent years, representing 125 per cent. of annual demand.

Mr. Mackay: But in layman's language, does that not mean that there will be just two days of additional gas storage available by the end of 2012? At a time when we are hugely dependent on imports, is the Secretary of State satisfied that that is sufficient?

Edward Miliband: I do not know whether the right hon. Gentleman was present for the energy security debate in the House some weeks ago, but the hon. Member for Tunbridge Wells (Greg Clark) discovered in that debate and through asking other questions that simply quoting storage numbers when we have the North sea, import capacity and liquefied natural gas facilities tells only a small part of the story. Indeed, the National Grid dismissed his statistics as a "meaningless number". We do need more storage capacity, but the most important thing is changing the planning system. We are doing that through the Infrastructure Planning Commission, which will now be responsible for onshore wind. The suggestions of the right hon. Member for Bracknell (Mr. Mackay) would best be directed at those on his Front Bench, who oppose our reforms in relation to the Infrastructure Planning Commission.

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): The Secretary of State will be well aware of the major contribution, certainly over the past few months, of the two LNG import terminals in Pembrokeshire and the Isle Of Grain in Kent. Up to 27 per cent. of annual consumption is provided through those terminals. Bearing in mind the future reduction of North sea capacity, and the possible risks of the continental connection, will the Secretary of State talk to the Crown Estate, with which the UK gas storage association is having major difficulties in reaching agreement about offshore storage?

Edward Miliband: My hon. Friend has made two important points. The first was about LNG facilities. I can tell him that the LNG facility at Milford Haven, which was not in operation last year, currently meets about 10 per cent. of total UK gas demand. That is one of the ways we are meeting our gas needs as the supply of the North sea declines. As for my hon. Friend's second point, although the Crown Estate is independent of Government, we continue to think about the issues involved. The recent licensing of the Gateway project suggests that they can be dealt with.

Greg Clark (Tunbridge Wells) (Con): The right hon. Gentleman agrees that we need more gas storage. Can he tell us how many days' supply we have at this moment?

Edward Miliband: There are different estimates. It depends whether we take account of the North sea, LNG facilities, and the fact that medium-range storage can be refilled.

The hon. Gentleman tried this in January, when we experienced very cold weather. It was not me but National Grid that said he was producing a "meaningless number". I can tell him that alarmism about energy security does him, and political debate, no good at all.

Greg Clark: I should have thought that the Secretary of State would inform himself of the day-to-day storage levels. For 18 months the Business, Innovation and Skills Committee, chaired by my hon. Friend the Member for Mid-Worcestershire (Peter Luff), has been warning that we need more gas in storage. Let me give the Minister the answer that he was unable to give me. As of last night, we have three days' worth of gas in storage. That is the lowest level for many years, despite the fact that as imports increase we need a greater security margin. Other countries have more storage, Ofgem says we need more storage, and the Select Committee says we need more storage. Does the Secretary of State agree that it is time the Government had a policy on what our security margin should be?

Edward Miliband: The strange thing about the hon. Gentleman is that, although he talks a lot about gas storage, he has not one single policy in favour of having more of it. *[Interruption.]* The hon. Gentleman asks me, from a sedentary position, what my policy is. The single most important policy that we are pursuing relates to the Infrastructure Planning Commission, which will deal with one of the biggest gas storage issues that we face by reforming planning. What is the hon. Gentleman's policy on the Infrastructure Planning Commission? His policy is to abolish it, and that says all we need to know. Once again, the Conservative party's policy has not been thought through, and they are not ready for government.

Greenhouse Gases (India and China)

4. **Mr. Peter Bone** (Wellingborough) (Con): What recent discussions he has had with the Indian and Chinese Governments on their policies to reduce greenhouse gas emissions. [318543]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I had many discussions with Indian and Chinese representatives at the Copenhagen negotiations which led to the Copenhagen accord, in which both China and India set targets in time for the 31 January deadline. Since Copenhagen I have also discussed climate issues with the Chinese ambassador to the United Kingdom—until she recently became China's Vice Foreign Minister—and various issues, including those relating to climate and energy, with Anand Sharma, the Indian Minister for Commerce and Industry.

Mr. Bone: Many people in this country do their bit to cut carbon dioxide emissions—I, for instance, drive a biofuel car—but that will pale into insignificance unless we can persuade the Indian and Chinese Governments to do more. Why does the Secretary of State think so little progress has been made?

Edward Miliband: I think more progress has been made than would seem apparent from the disappointment of the Copenhagen negotiations. The Copenhagen accord covers about 80 per cent. of global emissions. This is the first time that we have secured an agreement that covers such a wide range of emissions across the world. We need to turn it into a legally binding document, which is, in a sense, the biggest challenge that we face. The reason the task is so difficult is that these are very big issues about the future of different economies across the world.

Mr. Ian Cawsey (Brigg and Goole) (Lab): My right hon. Friend will be aware that not far from his constituency, in Brigg and Goole and other constituencies on the south Humber bank, are companies such as Corus, Singleton Birch and, in Goole, Guardian Glass, which are being expected—rightly—to reduce emissions as part of the Government's overall strategy, but are competing against companies that are setting themselves up and building new plants in countries with fast-growing economies, such as India and China. They feel that is unfair and that there is no level playing field, because they are having to take action that the companies in those other countries are not. When will my right hon. Friend be able to make more progress, so that we can report to workers in this country that they are not being unfairly discriminated against?

Edward Miliband: My hon. Friend has made an important point. It is because of that situation that there are provisions in the EU emissions trading scheme to protect against so-called carbon leakage. We give out allowances free to the most exposed sectors, rather than auctioning them. The European Commission is currently examining the different criteria, and will make further announcements later this year.

The other point I would make is that there is also a first-mover advantage for us in getting ahead in this low-carbon technology, and it is important that we do that as well.

Greg Clark (Tunbridge Wells) (Con): As you know, Mr. Speaker, the shadow Minister with responsibility for climate change, my hon. Friend the Member for Bexhill and Battle (Gregory Barker), cannot be here today as he is in Beijing meeting Chinese Ministers responsible for those issues.

We admired the Secretary of State's work in advance of Copenhagen—I think he knows that—but in the aftermath of Copenhagen, perhaps for reasons of understandable frustration, he accused China of trying to hijack the summit and of holding other countries to ransom. On reflection, does he regret that approach, and does he believe that as no global deal is possible without China, he should take steps to understand why China felt a global deal was not in its interests, with a view to persuasion rather than condemnation? Also, does he have a positive—

Mr. Speaker: Order. I have said on innumerable occasions that questions from the Front Bench are all too often simply too long. The hon. Gentleman has put a question, and I know he will look forward to hearing the reply.

Edward Miliband: I do not regret being open and honest with people about why the Copenhagen negotiations did not achieve all that we had hoped, because I think that is a very important duty in politics. We went to the Copenhagen negotiations to try to secure a legal treaty and global targets, and it is right to explain to people why those ambitions were not achieved. It is also right to say, as I made clear in my discussions with the Chinese ambassador, that the task now is to move on and work with China, India and others to try to resolve the remaining differences.

Frank Dobson (Holborn and St. Pancras) (Lab): Does my right hon. Friend agree that, in our discussions with the Chinese, we would be in a better position when talking about emissions from coal-fired power stations if the previous Tory Government had not been so short-sighted and closed down the clean coal technology research project and research into improving the thermal efficiency of coal-fired power stations? *[Interruption.]*

Edward Miliband: My right hon. Friend is absolutely right, and it is very clear from Conservative Members' responses to that question that they do not like to be reminded of their past, and it is no wonder—although I know that the hon. Member for Tunbridge Wells (Greg Clark) was in a different party in the period referred to.

My right hon. Friend is right. I think there is an important future for clean coal in this country. That is why it is important that the Energy Bill makes the carbon capture and storage levy available to support that.

Project Discovery

7. **Andrew Selous** (South-West Bedfordshire) (Con): What steps he plans to take in response to Ofgem's Project Discovery report. [318546]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): Ofgem's consultation is one of a number of resources that my Department is taking into account in its ongoing work on maintaining secure and affordable energy supplies during the transition to a low-carbon economy.

Andrew Selous: Why have the Government done so little to prepare for the hon. Gentleman's Department's forecasts that up to 16 million households could be sitting in the dark by 2017, and is the fact that only three Labour MPs have questions on the Order Paper today indicative of his party's lack of concern about this issue?

Mr. Kidney: I am sorry that the hon. Gentleman takes such a low view of policies that are delivering on investment, price and supply in this country. If he wants solid evidence of that, he need only look back one month to one of the severest winters in decades, when the system in this country coped extremely well.

Mr. Brian Jenkins (Tamworth) (Lab): My hon. Friend will recognise that Ofgem faces difficult problems. We, as the former owners of the generating facilities and energy companies, have suffered badly in that we were ripped off. We did not realise that the payment was only a down payment, and we have been ripped off every year by these companies ever since. When will my hon. Friend ask our right hon. Friend the Secretary of State for Health to provide a set of NHS gnashers to give to the toothless watchdog we have got—the regulator?

Mr. Kidney: I am grateful to my hon. Friend for his robust expression of a dissatisfaction that is felt throughout the House with the performance of the regulator since privatisation of the energy sector. However, I can assure him that in the Energy Bill that this House voted in favour of last night there are measures to strengthen the powers of Ofgem.

Miss Julie Kirkbride (Bromsgrove) (Con): As the Minister will be aware, it is estimated that about £200 billion will need to be invested in energy production in the next decade if the lights are not going to go off. In the light of that figure, does he think that the £800 million-plus profit that British Gas announced today should be used for further investment or cutting bills?

Mr. Kidney: The hon. Lady invites me to answer one of the key questions. We want energy companies to invest £200 billion in infrastructure projects in this country over the next decade, so we should celebrate the fact that they are successful global companies that do make profits. However, when those profits are excessive and members of the public are struggling to pay high energy bills after four successive years of very big increases, we are entitled to say that as world prices fall the customers should share in that benefit.

Simon Hughes (North Southwark and Bermondsey) (LD): Given that the big energy companies have made the highest ever profits over the past five years and that only today British Gas announced a profit of nearly £600 million, which is an increase of more than 50 per cent., why should anybody support a party that, as the hon. Member for Tamworth (Mr. Jenkins) indicated a moment ago, has so abysmally failed to take on the big energy companies, stand up for consumers and give us a regulator that does anything useful to justify its existence?

Mr. Kidney: The hon. Gentleman clearly did not listen to the previous question and answer, nor the one before that. It is important that we have successful

energy companies but, equally, because of the monopolistic elements of their industry, it is important to have a strong regulator. As I have just said, we are legislating in the Energy Bill to make that regulator stronger.

Greg Clark (Tunbridge Wells) (Con): Last July, the Secretary of State told the House that

"gas imports...will be kept to 2010 levels for the whole of the following decade".—[*Official Report*, 15 July 2009; Vol. 496, c. 293-94.]

Yet both Ofgem and the National Grid Company say that gas imports will rise substantially during the next eight years and that 70 per cent. of our gas will be imported. Who is right?

Mr. Kidney: The Government stand by the UK low carbon transition plan, which we published last year and which contains our favoured scenario for what will happen by 2020. The hon. Gentleman asks who is right and who is wrong. There are a range of views on this and we are taking them all into account as we develop our energy market assessment, the first findings of which will be announced alongside this year's Budget.

Greg Clark: The Minister has just confirmed that the Government take a different view from the regulator. When it was disclosed that his Department expected power cuts in 2017, the Secretary of State dumped the data and changed the figures. Yet this month Ofgem, the regulator, has said:

"In 2017 we get to the really sweaty-palm moment in terms of possible shortages".

It talked of the "profound" and "worrying" state of

"collapse in energy supply from 2013".

Ofgem has rubbished the Secretary of State's complacent assumptions on gas and electricity and has called for a different policy on security. Why has the energy regulator lost confidence in this Secretary of State?

Mr. Kidney: I just mentioned the low carbon transition plan, which suggests a major investment in the trinity of clean coal, nuclear and renewables. It is unfortunate that in every one of those areas the hon. Gentleman's party is obstructive—I am thinking of the approach it has taken on the planning system for nuclear power with the Infrastructure Planning Commission, on the proposed levy, and on the introduction yesterday of the proposal by some Opposition Members of an emissions performance standard. On renewables, he does not have to look far behind him to see the Members who do not agree with developing wind power in this country.

Coal-fired Power Stations

8. **Tom Brake** (Carshalton and Wallington) (LD): What plans he has to limit the level of carbon dioxide emissions from coal-fired power stations after 2020. [318547]

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): The Government's "A framework for the development of clean coal", which was published in November, delivers a comprehensive package of policy measures that will drive the transition to clean coal to 2020 and beyond. Our ambition is that any new coal plant constructed from 2020 will be fully carbon capture and storage from day one and that coal-fired power stations with demonstration projects will retrofit CCS to their full capacity by 2025.

Tom Brake: The energy industry needs a stronger signal now that the Government are serious about getting carbon out of energy; otherwise it will not make the necessary investments. The emissions trading scheme is not working, and last night the Government blocked the introduction of an emissions performance standard. Why will they not take on the power giants, introduce legal limits on power stations and force them to cut their carbon emissions drastically?

Joan Ruddock: I have to tell the hon. Gentleman that we have the most radical and most environmentally demanding coal policy in the world, and we have the greatest incentive to industry to invest with the CCS levy. Frankly, not a single company and not a single independent adviser such as the Committee on Climate Change would support him in saying that introducing an emissions performance standard at this point would be appropriate.

Mr. John Grogan (Selby) (Lab): Why have the Government rejected the findings in the report they commissioned from Oxera, which recommended raising the cap on the amount of biomass that coal-fired power stations such as Drax can blend with coal from 12.5 to 17.5 per cent.?

Joan Ruddock: I thank my hon. Friend for that important question. We are looking at the whole field and at the use of biomass. This is not a technology in which we can have total confidence at the moment. There are issues of sustainability in the production of the biomass, if it involves new crops, and the burning of biomass brings up air pollution issues, too. We have to take some time over this. We are in discussions with people at Drax and we will be considering the issues that they raise about investment, incentives and the cap.

National Grid (East Anglia)

9. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet representatives of local authorities in East Anglia to discuss the operation of the national grid. [318548]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): The Secretary of State has no plans to meet the representatives of local authorities in East Anglia to discuss the operation of the national grid.

Mr. Bellingham: Is the Minister aware that Centrica is going to double the size of the King's Lynn gas-fired power station, which will mean that it will need the national grid to connect the new power to its main power lines with new pylons, which will be extremely unsightly. What is his policy for burying such new pylons underground?

Mr. Kidney: I think I am right to point out to the hon. Member for Tunbridge Wells (Greg Clark) that this is one of the hon. Members who is against developing wind power in this country. We need £200 billion of

investment in our energy infrastructure over the next decade, some of which will be for the cables that deliver the power from the place of generation to the place of consumption. On the whole, overhead power cables have been the most robust and cost-effective way of delivering that energy in the past.

Microgeneration

10. **John Howell** (Henley) (Con): What recent estimate he has made of the likely proportion of the UK's electricity supply to be generated by microgeneration technologies in 2020. [318549]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): We estimate that approximately 2 per cent. of the UK's electricity supply will be generated by small-scale technologies in 2020.

John Howell: Among EU countries, the UK lies behind everyone except Luxembourg and Malta in renewable energy use. What lessons does the Minister think he can learn from more successful EU member states?

Mr. Kidney: Clearly not to follow the example of Conservative Members in opposing renewable energy developments, but rather to follow successful Labour policies, such as the one that makes us the lead in the world in offshore wind. The hon. Gentleman's question was about microgeneration, so perhaps we can return to the subject of feed-in tariffs, which a Labour Government are introducing from this April and which will encourage these developments.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my hon. Friend know that Carbon Connect's progress report on low-carbon technologies, on the commercial barriers and on how we overcome them will be launched somewhere around Westminster this lunch time?

Mr. Kidney: I certainly hope that I am aware of that important event as I am due to speak at it.

Carbon Emission Reduction (Local Government)

11. **Tony Baldry** (Banbury) (Con): What recent assessment he has made of the contribution of local government to meeting the UK's carbon emission reduction targets. [318550]

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): Local authorities have a key leadership role in reducing their emissions and those occurring within their areas. The Government have announced a pilot of local carbon frameworks, which aim to increase the contribution of local authorities to meeting the UK's carbon emissions reduction targets.

Estimates of per capita CO_2 emissions for 2007, and revised estimates for 2005 and 2006, for all UK local authorities and Government office regions were published on the DECC website on 17 September and were updated on 9 November.

DECC also collects statistics on the CO_2 emissions of local authorities' own estate and operations. The Department is analysing returns for the year ending 31 March 2009 and will publish the figures soon.

Tony Baldry: I thank the Minister of State for that answer. May I press her on what powers and resources the Government intend to give to local authorities to enable them to promote green technology and sustainable development and to meet their carbon reduction commitments?

Joan Ruddock: I shall begin with the carbon reduction commitment, which is, of course, a national scheme being introduced this April. Within that, local authorities will have a duty to look to their energy efficiency, and their resulting emissions will have to be measured. They will have the opportunity, in the first year, simply to record that information. We will, of course, assist in that. In order to reduce their emissions and increase their energy efficiency, they get assistance from the Carbon Trust and Salix finance loans are available. We have a very good record of working with local government. The indicators are there through the local government performance framework, and local authorities have sufficient powers to make the necessary changes. Of course, they will make a vital contribution.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): An appropriate planning regulatory regime is essential for local authorities to develop local emissions reduction projects in their areas. What assessment has been made of potential changes to planning regulations that impede such developments?

Joan Ruddock: Some concerns have been expressed by local authorities, and, indeed, by individual households and businesses, about the ability to introduce new technologies in a way that is consistent with local needs and local views. We have given local authorities the right to determine their own planning policies to an extent, as well as, more recently, to agree permitted development so that we can make some progress with small-scale microgeneration.

Prepayment Meters

12. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent progress he has made on phasing out domestic energy prepayment meters. [318551]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): Prepayment meters play an important role in helping some customers to control their energy expenditure and should remain an option for consumers. Smart meters will in due course replace current prepayment meters and we are committed to rolling out smart meters to all households. Meanwhile, the replacement of the older-style token prepayment meters was due to be nearly completed by the end of 2009. I await an update on the present position from Ofgem.

Sir Nicholas Winterton: There is a lot of concern about energy prepayment meters because they are used mainly by those on lower incomes. Is it right that such people should pay more for their gas than those who are better off? When will prepayment meters be entirely phased out? Phasing them out would be a good thing, and that idea is warmly supported by Labour Members.

Mr. Kidney: For the reasons that I have given, I do not, regretfully, agree with the hon. Gentleman about the presence and use of prepayment meters, but they will all be gone when we have smart meters by the end of 2020. In the mean time, one of the Ofgem licence conditions that I mentioned earlier was to rule out any unfair discrimination against users of prepayment meters. As a result, the differential between prepayment meter and standard credit rates has effectively been eliminated.

Rosie Cooper (West Lancashire) (Lab): Does my hon. Friend agree that, while we wait for smart meters, it is right that the Government should intervene to prevent the most vulnerable people from being ripped off for having to use prepayment meters?

Mr. Kidney: Yes; we called on Ofgem to carry out that probe, we supported the licence conditions that it proposed and I am pleased that they have been implemented.

Gas Storage

14. **Mr. David Jones** (Clwyd, West) (Con): How much additional gas storage capacity he expects to become available in the UK by 2012. [318553]

The Secretary of State for Energy and Climate Change (Edward Miliband): I refer the hon. Gentleman to the reply that I gave to the right hon. Member for Bracknell (Mr. Mackay) some moments ago.

Mr. Jones: I am obliged to the Secretary of State, but may I refer him to the answer that he gave to the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) regarding developments under the sea bed? Clearly, the Crown Estate holds the key to future developments under the sea bed, but the gas storage operators group accuses it of behaving it as a monopoly. What influence can the Secretary of State bring to bear on the Crown Estate to ensure that it behaves in a commercial manner?

Edward Miliband: It is fair to say that negotiations between the Crown Estate and gas storage operators are commercial negotiations, but we engage with that and we are in discussions with the Crown Estate. They make their own decisions about tariffs and fees, but we are due to talk to them about that. We can also help by making tax changes. For example, the tax change that we made in relation to cushion gas has helped to make storage more viable.

Boiler Scrappage Scheme

15. **Mr. Philip Dunne** (Ludlow) (Con): What assessment he has made of the effectiveness of the boiler scrappage scheme against its objectives. [318554]

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): The boiler scrappage scheme commenced on 5 January this year and is proving to be highly successful. It has, to date, received more than 95,000 applications. The scheme contributes to DECC's objectives to reduce greenhouse gas emissions in the UK through reduced energy consumption and to ensure that the UK benefits from the business and employment opportunities of a low-carbon future. We estimate that the scheme will reduce CO_2 emissions by between 1.1 million and 1.4 million tonnes a year.

Mr. Dunne: I am grateful to the Minister for that answer. I am not surprised, and I am encouraged to hear about the take-up, but is she aware that, when condensing boilers are retrofitted, the water run-off pipe is often fitted on the outside of a building? When those pipes freeze, as is happening in the current freezing conditions, the boilers break, with the result that households have no heat or hot water. What are the Government doing to stop that happening?

Joan Ruddock: From what the hon. Gentleman has said, perhaps Ministers ought to be taking a course in plumbing, although I must tell him that I have no plans to do so. I have a condensing boiler myself, and my external run-off pipe has not frozen, but he may be correct about this being something that we need to look into. However, I hope that he will not want to detract in any way from the great success of the boiler scrappage scheme and the huge savings in CO_2 emissions—and therefore the good effects on climate change—that it is achieving.

Climate Change Research

16. **Lynne Jones** (Birmingham, Selly Oak) (Lab): What recent research he has (a) commissioned and (b) evaluated into the scientific case for man-made climate change; and if he will make a statement. [318555]

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): Last year, DECC and the Department for Environment, Food and Rural Affairs launched the AVOID research programme on avoiding dangerous climate change which assessed the scientific research published since the Intergovernmental Panel on Climate Change's fourth assessment report. The findings informed the UK delegation ahead of Copenhagen. The integrated climate programme at the Met Office Hadley centre is also providing new climate science research and expert advice on the findings of that research.

Lynne Jones: I thank my hon. Friend for that answer. In this country, there has been a broad consensus that the risk of dangerous climate change is real. It is based on broad and deep scientific evidence, with acknowledged uncertainties, that we cannot go on pumping billions of tonnes of greenhouse gases into the atmosphere without serious adverse effects. Does she agree that, if we are to continue to take the right decisions for the long term, it is important that that political consensus is maintained, and that we should not be distracted by the noise being made by those who claim that climate change is not a serious risk?

Joan Ruddock: I agree absolutely with my hon. Friend. We have seen nothing that undermines the main body of climate research, which goes back many decades and has involved some of the best scientists in the world. Although it is clear that there have been some errors and possible misjudgments, we know that CO_2 emissions in the atmosphere are growing at an unprecedented rate. We have every reason to accept that that is the result of human activities. I am pleased that the consensus that it is human activities that are leading to the excessive warming that we see, and to the other climatic effects that we associate with climate change, holds across this House.

Oil Refining

17. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent discussions he has had with the petroleum industry on capacity reductions in the oil refining sector. [318557]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): The UK operates a market-based approach to the supply of refined products, and it is therefore a matter for individual companies to determine how best to meet their customer demand and what level of refining capacity is needed to do that. However, my Department has an ongoing dialogue with the UK downstream oil sector, including the oil refining industry as represented by the UK Petroleum Industry Association. As part of that dialogue, we recently commissioned and published a report by respected independent consultants on the UK downstream oil infrastructure.

Mr. Crabb: I thank the Minister for that reply, and for making time before Christmas to meet me to discuss this issue. However, is he aware of the enormous concern among UK refiners about the renewable heat incentive? They believe that it will load them with an additional cost burden and place them at a severe competitive disadvantage, which will only raise and heighten fears about potential plant closures and enormous job losses as a result.

Mr. Kidney: Yes, I am aware of the concern that the hon. Gentleman refers to, and I met members of the PIA this week to discuss that and other issues. The Government are listening to their point of view, and we have responded to their representations already. I know that the Treasury has certainly got in mind their point of view as it works toward this year's Budget.

Andrew Miller (Ellesmere Port and Neston) (Lab): My hon. Friend will be aware of the sale of Grangemouth, and that Stanlow in my constituency is up for sale. Will he ensure that the Department keeps a close eye on the broader public interest and, specifically, that it helps at a local level to ensure that the work force are properly protected in such circumstances?

Mr. Kidney: I am grateful to my hon. Friend. There have been a number of reviews by participants in that market in recent years, and I agree that it is important that all members of the industry are engaged in such reviews, including the work force and their trade union representatives.

University of East Anglia Climatic Research Unit

19. **Mr. Andrew Pelling** (Croydon, Central) (Ind): Whether he has had recent discussions with representatives of the university of East Anglia on the work of its climatic research unit. [318560]

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): The Secretary of State has not had any recent discussions with representatives of the university of East Anglia on the work of its climate research unit.

Mr. Pelling: Does the Minister not agree, though, that it would be useful to have such conversations with that climate change unit in order to argue that, for the sake of belief and faith in climate change, those figures should be credible? Do you think that we should ask the university to conduct an independent inquiry, or, if it is unable to do so, that the Government themselves should initiate an independent inquiry?

Mr. Speaker: Naturally, I do not think anything on these matters, but I am sure that the Minister does.

Joan Ruddock: Indeed, I do, Mr. Speaker. I do not think it appropriate for us to be in discussion with the university of East Anglia. It has announced that an independent review, chaired by Sir Muir Russell, will look into the data and the e-mail hacking incident. It will report later in the spring, and those findings will of course be made public. That is appropriate.

On our belief in the science, I have already said in answer to my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) that the Government remain absolutely convinced. We believe that the data worldwide are robust, and we have no reason to question them. However, it is appropriate that the East Anglian incident be investigated thoroughly.

Topical Questions

T1. [318565] **Sir Nicholas Winterton** (Macclesfield) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Energy and Climate Change (Edward Miliband): My Department works with others to ensure that Britain can take the lead in low-carbon manufacturing. Today we are announcing a new research and development facility for offshore wind blade testing in Blyth, following Government investment of £18.5 million. We also welcome Mitsubishi's announcement that it will locate its offshore research and development facility in the UK, creating 200 skilled jobs, following last week's announcement by Clipper Windpower about its factory in the north-east.

Sir Nicholas Winterton: I obviously thank the Secretary of State for that detailed response, but it will not have anything to do with my question.

A 92-year-old, partially sighted, disabled constituent has written to me on the advice of Age Concern about her serious problems over two years with the Warm Front team, which installed a condenser boiler. The problem to which my hon. Friend the Member for Ludlow (Mr. Dunne) referred but did not receive a sensible reply has caused a total breakdown of the boiler. Warm Front can do nothing about it, and my constituent has had to spend more than £200 herself on a private contractor to provide her with heat. Will the Government do something about it, and will the Secretary of State look into Warm Front's ineffective and inefficient operations?

Edward Miliband: The hon. Gentleman raises a serious question about his constituent, and I assure him that if he passes the details to us my hon. Friend the Under-Secretary will look into it urgently and talk to Warm Front about sorting out the problem. When the Department

came into being, there were a number of complaints about Warm Front, and we took a whole series of actions to improve the value for money and operation of the scheme. I think that they are having an effect, but when things go wrong, we want to take action as quickly as possible, working with Warm Front, and we will do so in that case.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): My hon. Friend will be aware that there have been 592,000 chronic obstructive pulmonary disease claims and 170,000 vibration white finger claims. In other words, 750,000 claims have gone through his Department, so a great deal of experience in them will have been gained. Will he ensure that in future, if there is a potential liability relating to a prescribed disease in the mining industry, it will be dealt with by a scheme, rather than by the courts at an enormous cost?

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): Yes, I acknowledge the huge scale of the two compensation schemes that my hon. Friend mentions, and more than £4 billion of taxpayers' money has been paid out in compensation to miners who have suffered some horrendous injuries. I think that my hon. Friend alludes predominantly to the knee injury litigation that is ongoing, and I assure him that we have attempted to learn all the lessons of those earlier schemes in order to ensure that, if liability is established, we act in the way that he asks me to do. In the meantime, I credit my hon. Friend and others who have made representations to the Government about that knee condition for a new industrial injury benefit, which is now in place.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The recently announced feed-in tariff creates a two-tier structure for small generators that feed into the grid, leaving those who were prepared to take the initiative in the early stages, at their own financial risk, much worse off. How do the Government justify that unfairness?

The Minister of State, Department of Energy and Climate Change (Joan Ruddock): I have sympathy with the point that the hon. Gentleman has raised. However, he needs to bear in mind the fact that all the schemes impact on everyone, and we all have to make a contribution if the issue is to be addressed. The whole point of setting the feed-in tariff now is to enable the generation of more renewable energy, and that is why it requires the best possible incentive. Those who have already taken the initiative on their own account will not be producing more generation, and the Government's aim has to be to get more in place and to create the incentive to make that happen. If we were to equalise the payment, that would not create more generation or more CO_2 savings.

Mr. Jim McGovern (Dundee, West) (Lab): In my home town of Dundee, tens of thousands of people have claimed the cold weather payment over the past year. I hope that the Minister agrees that there is still much to be done. Does he also agree that without the cold weather payment and the winter fuel allowance, many of the most vulnerable in our society would have to endure the unacceptable face of fuel poverty?

Mr. Kidney: I am grateful to my hon. Friend. That is part of our strategy of addressing the problem of people's incomes and ability to pay energy bills. He is right that even during this toughest of times and the recession that we have been through, a Labour Chancellor has maintained the higher amounts of both the winter fuel allowance and the cold weather payment this year, because he understands that that is the right thing to do for the vulnerable people involved.

T2. [318566] **Andrew Selous** (South-West Bedfordshire) (Con): Ofgem's latest figures show that prepayment meter customers, who are often from the poorest households, are still paying up to £60 a year more for their electricity and up to £107 a year more for their gas. Given the profits being made by the energy companies, will the Secretary of State ask them to eliminate that differential completely?

Mr. Kidney: We have eradicated the differential between prepayment meters and the standard credit, so the hon. Gentleman has now moved on to the differential between the prepayment meter and direct debit. At present, the licence condition is that a cost differential is permissible to reflect simply the extra cost of providing the means of payment. According to Ofgem, a prepayment meter costs about £88 a year more to administer than a direct debit. That would be the difficulty for me in acceding to the hon. Gentleman's latest request.

Mr. Denis MacShane (Rotherham) (Lab): On steel and energy, will the Secretary of State support the view of the Community union that the carbon credits for Tata's Teesside plant should be held in trust until the company agrees to talk with the Government and the union on resuming work there? Will he also meet me and colleagues to look at an over-rigorous interpretation of an EU regulation that might seriously damage electric arc furnace steel making in the UK?

Edward Miliband: I am sure that we can arrange a meeting with my right hon. Friend on the second question that he raised. On his first question, I should say that the Teesside issue is important. My right hon. Friend Lord Mandelson continues to be in discussions about the serious matter of what can be done at the plant. We will continue to take those discussions forward.

T3. [318567] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): The disparity between wholesale and retail energy prices is woefully lacking in transparency. Even Consumer Focus, the Government's own watchdog, has said that households could be paying as much as £74 a year too much. The Government seem to have dithered over the issue. Will Ministers follow our advice and take some decisive action by referring the matter to an independent inquiry?

Edward Miliband: As I have said before in the House, I am not in favour of referring these matters to the Competition Commission if we can avoid it, because that will tie the whole energy industry up in knots. What is our strategy as a Government? It is to give the regulators more power, as we are doing in the Energy Bill; to eliminate some of the worst unfairnesses—in respect of prepayment meters, for example; and, rightly, to say to companies that they have a responsibility not only to their shareholders but to customers. We are doing all those things.

Mr. Evennett: What about transparency?

Edward Miliband: On transparency, it is only because the Government have got Ofgem to publish a quarterly report on the relationship between wholesale and retail prices that we now know what that relationship is.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Does the Minister understand that up to 40 per cent. of domestic energy bills can be accounted for by heating hot water, and that much of that can be wasted through inefficient installations? Is he talking to the Minister with responsibility for water at the Department for Environment, Food and Rural Affairs about the synergies between smart metering roll-out in water and electricity and other synergies between water efficiency and energy efficiency?

Edward Miliband: I clearly should be, and following my hon. Friend's request I am sure that we will do so. She makes an important point about the heating of hot water and the role that can be played by the kind of technology that can both heat hot water and help to heat people's homes—combined heat and power. There is a lot to be done in that area. We are introducing the renewable heat incentive, which will make an enormous difference to people in heating their homes, but we will also engage in the discussions that she suggests.

T5. [318569] **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): Will the Secretary of State speak to Unite in the strongest terms about its proposed industrial action at the port of Milford Haven, which, although temporarily postponed, would risk cutting off access to vital supplies of crude oil and liquefied natural gas? Our energy situation is too fragile for security of supply to be used as a tool in industrial disputes, no matter how legitimate the grievances of the employees concerned.

Edward Miliband: The hon. Gentleman raises an important issue. While this is of course ultimately a matter for unions and management to resolve, we have engaged in discussions with both sides on these issues. I am pleased that the strike action that was due on Tuesday of this week did not go ahead, and I very much hope that a satisfactory resolution can be reached.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): I am sure that my right hon. Friend shares my concern that we exploit every drop of gas and oil in and around our own waters. May I congratulate him on the introduction of the field allowance in the North sea, which is proving so successful? I put it to him, in the same terms, that the brownfield sites around the same area, but a bit further away from the existing production facilities, may have 80 per cent. of what is recoverable, and that we should introduce something that makes those equally viable.

Edward Miliband: My hon. Friend draws attention to an important decision made by the Chancellor about the field allowance, which I believe was initially introduced in the last Budget. He built on that in the pre-Budget report, and has since made further announcements on it. I will ensure that this is brought to his attention, and I am sure that he will be looking at the issues that my hon. Friend raises.

Mr. Speaker: I call Dr. Evan Harris.

T7. [318571] **Dr. Evan Harris** (Oxford, West and Abingdon) (LD): Thank you, Mr. Speaker. *[Interruption.]* I come hot-foot from a meeting at your office, Sir.

Does the Secretary of State agree that despite the controversy over the university of East Anglia e-mails, the science is very clear, not least from other data sets, that global warming is real, and that we should not be distracted by this controversy from insisting on our policies?

Edward Miliband: I congratulate the hon. Gentleman on his just-in-time questioning. He raises an important issue. Clearly, mistakes have been made, and it is important that those are looked at and that the Intergovernmental Panel on Climate Change looks at its procedures. I have written to Dr. Pachauri to emphasise our support for the organisation, but also our wish that it looks at its procedures to try to eliminate such errors. The overall picture is very clear: climate change is happening, it is real, and it is man-made. It is very important to say that.

Natascha Engel (North-East Derbyshire) (Lab): I should like to press the Secretary of State on the answer that he gave earlier on Warm Front. Does he think that there is a potential conflict of interest while Eaga is effectively allowed to award itself contracts for Warm Front grants? What steps is he taking to put a stop to that practice?

Mr. Kidney: I am grateful to my hon. Friend, who recently came to see me personally to talk about that issue. Among the changes that my right hon. Friend the Secretary of State mentioned was ensuring that Eaga is put on the same footing as any other contractor in having to bid competitively for contracts under Warm Front, in the same way as anybody else.

T8. [318573] **Tony Baldry** (Banbury) (Con): Will the Secretary of State make every effort to republish and promulgate the conclusions of the Stern review, which make very clear the huge cost to our children and grandchildren if we do not take action now to tackle climate change? The costs will be huge and fall heavily on future generations.

Edward Miliband: The hon. Gentleman makes a point that is central to this debate. We need to be open about the fact that there are costs to acting on climate change, but we know that the costs of not acting would be greater. That central conclusion of the Stern report is important in shaping the climate change debate, and he is right that we should emphasise it.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. Friend the Secretary of State look closely at what is happening in terms of sustainability and progressive environmental policies in Kirklees council, in whose area my constituency sits? Will he particularly examine the warm zone initiative, which is so successful that many local authorities are coming to look at it? May I invite him to come and look at it himself?

Joan Ruddock: My right hon. Friend the Secretary of State will have to answer for himself on whether he can go and look at that, but many of us have had conversations with Kirklees council and visited it, because there is no

question but that it has been exemplary and pioneered work involving local government, energy companies and community groups all working together to get community solutions. It was part of the inspiration behind the community energy saving programme, which the Government recently rolled out and which is going extremely well. The programme will provide £350 million of funding in order that we get such real community endeavours off the ground on the same basis as Kirklees' pioneering warm zones.

T9. [318574] **Ann Winterton** (Congleton) (Con): Recent polls show that the British public have had a dramatic change of mind about whether climate change is man-made. Will the Government change their mind about the huge subsidies for land-based wind farms, which are not only ineffective but despoil the countryside?

Edward Miliband: No, we will not. Here we see what people worry about in relation to the Conservative party: an unchanged party, with people saying that climate change does not exist and that we should not go ahead with onshore wind. So no, Labour will not follow the hon. Lady's advice.

Andrew Miller (Ellesmere Port and Neston) (Lab): My hon. Friend will be aware that progress is being made in the administration of Bowater in my constituency. Energy is a huge component part of the problem, so will he assure me that his Department will work with the Department for Business, Innovation and Skills to help facilitate the recovery of the business on that site?

Mr. Kidney: As my hon. Friend knows, I take a keen interest in this issue, and I stand ready to help him in any way I possibly can.

Michael Fabricant (Lichfield) (Con): As Britain is now a net importer of gas, is the Secretary of State happy with the fact that we have only 16 days of gas storage, compared with 99 days in Germany and 122 days in France?

Edward Miliband: I expect better from the hon. Gentleman. *[Interruption.]* Perhaps I should not expect better. The truth is that, as I said in our earlier discussion, the National Grid has clearly said that those numbers are meaningless, because they do not take account of our indigenous supplies. It is really important to emphasise the role that our indigenous supplies continue to play along with imports and storage.

Dr. Alan Whitehead (Southampton, Test) (Lab): Now that the Energy Bill, which relates particularly to carbon capture and storage, has passed all its stages in this House, will my right hon. Friend talk urgently to the Crown Estate and the energy companies operating in the North sea about the continuity of maintenance of pipelines between oil and gas extraction and carbon storage?

Edward Miliband: My hon. Friend raises an important issue, and we are in dialogue with the Crown Estate about a whole range of issues including the one to which he draws attention. I thank him for his role in the Bill, and the important thing now is to get it on the statute book as soon as possible.

Business of the House

11.34 am

Sir George Young (North-West Hampshire) (Con): May I ask the Leader of the House to give us the business for next week?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be:

MONDAY 1 MARCH—Opposition day (half-day) (4th allotted day—1st part). There will be a debate on the Government's record on defence. This debate will arise on an Opposition motion, followed by a motion relating to the draft Prevention of Terrorism Act 2005 (Continuance in force of sections 1 to 9) Order 2010, followed by a motion relating to the draft Social Security Benefits Up-rating Order 2010.

TUESDAY 2 MARCH—Motion to approve a Money Resolution on the Constitutional Reform and Governance Bill, followed by remaining stages of the Constitutional Reform and Governance Bill.

WEDNESDAY 3 MARCH—Second Reading of the Bribery Bill [*Lords*].

THURSDAY 4 MARCH—Motion to approve a statutory instrument, followed by consideration of a procedural motion, followed by proceedings on House business.

FRIDAY 5 MARCH—Private Members' Bills.

The provisional business for the week commencing 8 March will include:

MONDAY 8 MARCH—Remaining stages of the Crime and Security Bill.

TUESDAY 9 MARCH—Opposition day (5th allotted day). There will be a debate on an Opposition motion. Subject to be announced.

WEDNESDAY 10 MARCH—Estimates day (2nd allotted day). There will be a debate on alcohol, followed by a debate on taxes and charges on road users. Details will be given in the *Official Report*.

[The details are as follows: Taxes and charges on road users: 6th Report from the Transport Committee of Session 2008-09, HC 103; and Government response—6th special report of Session 2008-09, HC 995; and Alcohol: 1st Report from the Health Committee, HC 151.]

At 7.00 pm the House will be asked to agree all outstanding estimates.

THURSDAY 11 MARCH—Topical debate: subject to be announced, followed by proceedings on the Consolidated Fund Bill, followed by Second Reading of the Northern Ireland Assembly Members Bill [*Lords*].

FRIDAY 12 MARCH—Private Members' Bills.

Sir George Young: The House is grateful for next week's business.

On oral questions, how satisfied is the right hon. and learned Lady that the shuffle is entirely random? What are the odds, as happened in today's Question Time, of no Labour Back Benchers being selected for one of the first 16 questions, nor a single topical question to the Energy Secretary? Have Government Back Benchers simply given up?

On the business for next Thursday, can the Leader of the House clarify today what the Deputy Leader of the House refused to clarify on Monday—namely, that all the recommendations in the Wright report that need a decision by the House will be tabled, and that she will do that by Monday at the latest, so that we can table the necessary amendments? Does she agree that it would be desirable for the Back-Bench business committee to be up and running at the beginning of the next Parliament? Would not a clear answer to those questions disperse the "climate of suspicion" to which she referred on Monday? Related to that, will she tell us how she intends to timetable Thursday between debates and votes? The House will want to know that there will be enough time to vote on the remaining resolutions and the selected amendments.

May we have a debate on the Procedure Committee's final report on the election of the Speaker and Deputy Speakers? As the right hon. and learned Lady will appreciate, decisions on that need to be made before the beginning of the next Parliament.

On elections, may we have a debate on the by-elections process? This week, the Electoral Commission delivered a stinging report on the Government for their unnecessary delay in scheduling the election in Glasgow, North-East. Given that there is currently a similar delay for voters in North-West Leicestershire, is it not time for the House to consider a mandatory time limit within which by-elections are held, so that we can avoid the Government placing electoral advantage over the constitutional rights of citizens to be represented here?

Turning to next Thursday, may we have an extra day on the remaining stages of the Constitutional Reform and Governance Bill? That is a huge piece of legislation, to which a great deal has been added—more Government amendments are expected—and 28 clauses, which is approximately one third of the Bill, have not been debated at all. Given the right hon. and learned Lady's commitment to ensure that the House has better powers of scrutiny, would not that be a good place to start?

Where is the annual debate on international development? I raised that with the right hon. and learned Lady at the last business questions and she said there would be one "as soon as possible". That debate is still not on the radar, and we need it not least so that we can debate the lessons to be learned from the tragedy in Haiti.

Related to that, may we have a debate in Government time on Afghanistan and our overseas commitments? The right hon. and learned Lady has consistently said that the House should have opportunities to debate defence, but we have not had one of the four defence debates to which we are entitled in each Session. Next Monday, the Opposition are having to give up one of their Opposition days to debate defence, at a time when the country is at war. When are the Government going to make time to debate such issues?

What has happened to the debate on international women's day? Although that falls on 8 March and a debate is scheduled in another place, there is no sign of it in our provisional business. I cannot believe that the Leader of the House plans to overlook that important event.

Finally, it will come as no surprise if I ask again for the dates of the Easter recess. We keep being told that this will be announced in the usual way, but it is rather unusual—with just 26 working days until Good Friday—for us to be kept in the dark. May I repeat my assumption that the House rises on 1 April and does not return, having listened to the Chancellor's final Budget on 24 March? Or can the right hon. and learned Lady tell us otherwise?

Ms Harman: The shuffle for oral questions is of course completely random, and I am sure that the right hon. Gentleman was not suggesting otherwise. He can see the figures: Labour Members tabled questions, but they did not get called up first and that is the way that these things sometimes work. I am sure he would not wish to cast any aspersions on those who do the selections.

This afternoon, I hope that the Government will re-table the remaining motions on the Wright Committee recommendations that did not get passed on Monday. They will all be on the Order Paper as substantive motions for hon. Members to vote on next Thursday 4 March. Hon. Members will also be able to table amendments to those motions. I have looked at the proposals in the Committee's report and I am satisfied that should Members wish to table amendments to any of the remaining recommendations, they will be able to vote on them next Thursday. It does not matter how an issue comes to the House for a vote, whether it is through Government motion or an amendment tabled by an hon. Member that is selected by Mr. Speaker. The issue is whether, if hon. Members wish to vote on a Wright Committee proposal, they will have the opportunity to do so. I am satisfied that if hon. Members wish to vote on any recommendation from the Wright Committee, all that they have to do is table an amendment to the motions that we will table this afternoon and they will have that vote. I hope that that lays hon. Members' fears to rest.

I mentioned the climate of suspicion in order to say that it was unwarranted. Sometimes, people like to prove their struggle by struggling against something. If they have to feel that they are struggling against me to make these changes, they can go ahead, but that is not the reality of the situation. I can assure hon. Members that the reality is that all the recommendations by the Wright Committee will be available to be voted on, if hon. Members wish to do so, because all that they have to do is table amendments to them—*[Interruption.]* I can hear hon. Members muttering, and I understand their concern, because they are worried that the amendments will not be selected. There will be an opportunity for Mr. Speaker to reassure the House on that basis, so that hon. Members know what will be selected and that they will have the opportunity to vote. Am I really likely to say this week in and week out and then suddenly discover, on 4 March, that—*[Interruption.]* Well, as I have asked that question and got the wrong answer, I shall answer it myself. I would not be standing here saying what will happen if I thought that there was any chance that it would not. It is all going to be fine, and hon. Members just need to turn up and vote for it—*[Interruption.]* The position is clear.

On the question of the Back-Bench business committee, the shadow Leader of the House said that he would like it to be ready to be up and running after the general election. In fact, the Wright Committee proposes that we should agree in principle and refer it to the Procedure Committee, so that it can work out all the Standing Orders, so that the committee is ready to be implemented immediately by the new Parliament. Indeed, we picked up that Wright Committee proposal—it forms the basis of our substantive motion—and the committee will be ready to be up and running if, next Thursday, we pass the resolution that I have tabled. It will then go to the Procedure Committee, which will no doubt do its work in its admirable and prompt way.

On the timetabling of business next Thursday, we have had many hours of debate on the substance of the Wright Committee report: we had a full day's debate on Monday; we have had two Adjournment debates; I have spoken about it often; and we have discussed it at business questions. We have had more than eight hours in debating time alone. In my view, we have debated the Wright Committee report enough—what we need is some voting and decision making. As I set out, we debated it on Monday, and the voting will be next Thursday.

We will have a procedural motion. When I table it, Members will see that they can spend their time either debating it or having a further discussion on the Wright Committee proposals—I am not bothered either way. *[Interruption.]* No, I think that we have had enough debate. I am not bothered, but I am concerned that we actually get to the voting. About 90 minutes after we start the debate on the procedural motion, we shall start voting, so that we conclude all the votes on the Wright Committee substantive motions and the amendments at a reasonable time on Thursday. Then hon. Members can return to their constituencies knowing—I hope—that they have improved how the House works.

It is very likely that we will be tabling motions arising out of the Wright Committee proposals for the election of Deputy Speakers—that issue has been in the pipeline for some time.

On the question of by-elections, I think that we have an excellent new Member for Glasgow, North-East. He is very often in his place in the House—he is not in it today, but he is an active Member of the House, as well as an active constituency MP. I think, therefore, that we had a really excellent result in that by-election. We also had the tragic loss of the Member for North-West Leicestershire. Let us bear in mind that there will be a general election shortly. *[Interruption.]* Surely the hon. Member for Bluby (Mr. Robathan) is not suggesting that we go through the expense of a by-election immediately in advance of a general election—*[Interruption.]* Well, if he is, I do not agree with him. If that is what he really believes, why does he not come forward with an amendment to the Constitutional Reform and Governance Bill? He has not tabled any amendments at any stage of that Bill to give effect to what he says he is so passionate about. Suddenly he has discovered that he is passionately in favour of it, but he has never done anything about it in the past, so I take that to be hot air.

On an international women's day debate, I welcome the commitment that the shadow Leader of the House has expressed to such a day, and I think that he will find that it might be topical come next week. *[Interruption.]* That was a hint, but I shall leave hon. Members to work it out.

On international development, there will be a debate shortly on that—I have not overlooked it. We have had many days' debate on defence—they run throughout the year—and if Conservative Members choose to table an additional day's debate on that for their Opposition day, that is entirely a matter for them.

On my announcements for House business, I announced the firm business today for next week and the provisional business for the week after, and that is the usual way of doing things.

Mr. David Heath (Somerton and Frome) (LD): I have a terrible memory, so I am sure that I have simply forgotten the point in the Wright Committee report

[Mr. David Heath]

suggesting that the Back-Bench business committee should be referred first to the Procedure Committee for consideration. However, given that the Leader of the House has asserted that it is the case, she will be able to remind me of exactly where that suggestion comes in the report.

May we have a statement from the Chief Secretary to the Treasury on Equitable Life? We had an extraordinarily well attended meeting on the subject yesterday, at which we learned some things to the benefit of Equitable Life policyholders—that there would be no means test and that it is likely that estates will benefit—but we failed to get any sense of a clear timetable on the Government finally resolving this important issue. What is more, we also heard from the current chief executive of Equitable Life, Chris Wiscarson, that he has repeatedly sought a meeting with the Treasury, but has received no response. That really is an extraordinary state of affairs, so I hope that the Chief Secretary will come to the House and explain himself.

While the Chief Secretary is here, I wonder whether we might have, not so much a statement or a debate, but probably more of a seminar, for those of us who are rather slow on such matters, because I simply cannot understand how the Royal Bank of Scotland, which is 84 per cent. owned by the UK taxpayer, can announce, simultaneously, losses of £3.6 billion and bonuses to its staff of £1.3 billion. That is the sort of arithmetic that I simply cannot understand. Perhaps we can have it explained why the Government are such a poor safeguarder of the national interest as not to force a wholly owned subsidiary—the Royal Bank of Scotland—to do what we want it to do, which is to be fair to people across the country.

May we have a statement from the Secretary of State for Foreign and Commonwealth Affairs on our relations with Latin America? We are also concerned about the heightening of tension with Argentina and the support for the Argentine position expressed by many south American countries. We ought to be made aware of the Government's current view.

The right hon. Member for North-West Hampshire (Sir George Young), the shadow Leader of the House, mentioned the Report stage of the Constitutional Reform and Governance Bill. Every time we point out the difficulties of Report stages, the Leader of the House tells us that everything is fine. We have had two Report stages of Bills this week—on the Children, Schools and Families Bill and the Energy Bill—when 18 new clauses and 49 amendments, of which 29 were Government amendments, went completely undebated in the Chamber and were passed, unheard and unseen, to another place. That is not how we should be doing business. How many times do we have to say that?

Lastly, let me refer the Leader of the House to that seminal document "The Governance of Britain", the Green Paper that was going to introduce substantial reforms to how this House works. Let me take her back to the recommendation in paragraph 35:

> "The Government believes that the convention should be changed so that the Prime Minister is required to seek the approval of the House of Commons before asking the Monarch for a dissolution."

Can we know when that motion will be tabled, and will she confirm that we shall have a debate before a request for a dissolution is passed by the Commons?

Simon Hughes (North Southwark and Bermondsey) (LD): And a vote.

Mr. Heath: And, as my hon. Friend says, will the Leader of the House also confirm that we shall have a vote?

Ms Harman: As for the Back-Bench business committee, let me remind the House that our motion, which has been on the Order Paper for some weeks and which will be voted on next Thursday, says that

> "this House approves recommendation 17 of the First Report of the Select Committee on Reform of the House of Commons…and looks forward to the House being offered the opportunity within 10 sitting weeks of the beginning of the next session of Parliament"—

so it is not time unlimited—

> "to establish a backbench business committee and a new category of backbench business, in the light of further consideration by the Procedure Committee."

We have tabled—*[Interruption.]* Indeed, it is our motion. We have therefore tabled a motion for the approval of recommendation 17, on setting up the committee, as well as for a timetable for that, so it is not as though the proposal is being kicked into the long grass.

If the hon. Gentleman thinks that that is not the right way to frame the proposal, he can table an amendment. He does not need to look to me for any further progress; he can do something himself. That is the whole point about House business. We have tabled a substantive motion. I think that it is a good substantive motion, but if he wants to amend it, he can amend it however he likes. He does not need to worry about what my view is: there is a free vote, and, whatever he tables, hon. Members will look at it and decide whether they support it.

On the second point, I think that the hon. Gentleman is right: what I said was wrong, but I am still right as to the general—*[Interruption.]* There was a technical error in what I said, but overall I am still right. However, he might well be right that the House wants to firm it up; and if it does, he can go ahead.

Equitable Life remains an important issue—there was a meeting in the House yesterday—and work on it is ongoing.

As for the RBS bonuses, the hon. Gentleman will know that, following the international credit crisis, we are concerned to ensure, first, that all the public money that we put in—and that had to be put in—to shore up the banks and stop them collapsing, as well as stopping the disastrous effect that that would have had on depositors and wider confidence in the economy, should be paid back. Ultimately, of course, the money should all be paid back, which is why we are opposed to selling off discount shares. Secondly, those institutions should ensure that they lend to businesses and approve mortgages—that is a priority, as well as paying back—and that they have a remuneration scheme that discourages short-termism and risk.

That is why we have worked through the Financial Services Authority regime and, internationally, through the G20 and the European Union, for an international system that ensures a more long-termist approach, rather than a short-term, risk-taking approach, as well as to help with the deficit, which has been caused by the

financial crisis. The deficit is not the cause of the financial problems in the economy; it is the result of them. In order to help pay that back, we have had to increase taxes, which we have done in two ways. First, all income over £150,000 will be subject to a 50 per cent. tax rate. Secondly, all banks thinking of paying bonuses will have to pay a 50 per cent. tax on that bonus pool before they pay out a single penny on bonuses. That is our approach, and it has been set out by the Prime Minister and the Chancellor.

As for the Report stages of Bills, again I say to the hon. Gentleman that he has been concerned—he has expressed those concerns consistently over the months and years—but he and his hon. Friends are in a position to table amendments to our resolutions; and, if the House approves a different way of dealing with things, that will be how we deal with them in future.

As for the Falkland Islands, we are absolutely clear: there is self-determination for the people of the Falklands. Foreign and Commonwealth Office questions are next week, when the hon. Gentleman can ask more questions about the issue of the Foreign Secretary, if he would like to.

Several hon. Members *rose—*

Mr. Speaker: Order. Thirty hon. and right hon. Members are seeking to catch my eye, so brief questions and brief answers are required if I am to have any chance of accommodating everybody.

Rosie Cooper (West Lancashire) (Lab): Returning to the mundane, will the Leader of the House consider setting time aside for a debate on the gritting performance of local authorities? Lancashire county council, which failed to grit bus routes, contrasts with Westminster council, which I understand wants to know from its residents whether their pavements were gritted quickly enough. People throughout the country are bemused that, in the 21st century, snow should bring their communities to a standstill and that their lives should be put at risk on roads that are ungritted.

Ms Harman: As the weather is still bad, there is concern not only about what happened in the depth of the winter, but about what might continue to happen to businesses and to all road users. I will raise the matter with the Department for Communities and Local Government and the Department for Transport, which are working together on this, and get my hon. Friend an answer to what is no doubt a frustrating issue for all the constituents whom she so excellently represents—namely, the really poor performance of Lancashire county council.

Sir Nicholas Winterton (Macclesfield) (Con): Will the Leader of the House be prepared to tell us whether she would support an amendment that would prevent the programming of amendments and new clauses debated on Report? Also, as chairman of the United Kingdom-Falkland Islands all-party parliamentary group, may I request that a Minister appear before the House next week to update us on the tensions in the south Atlantic?

Ms Harman: There will be Foreign Office questions next week, and I suggest that the hon. Gentleman put his question about the Falkland Islands to the Foreign Secretary at that time. As far as the—oh God! I can't remember what his first question was. *[Interruption.]* Oh, yes; amendments. Some hon. Members want more programming because they want to be sure that the House will reach—*[Interruption.]* Well, if hon. Members have a solution to this, they need do no more than table amendments to the resolutions that will be before the House next Thursday.

Mr. Gordon Prentice (Pendle) (Lab): Now that Commander Ali Dizaei has been convicted and jailed, may we have a statement as soon as possible on how senior police officers in the Met are selected and appointed, and on whether the commissioner should not have a much greater role in that?

Ms Harman: My hon. Friend raises an important point. We want to ensure that the Metropolitan Police Commissioner has a team in which he has full confidence, and the whole team needs to be properly accountable to the people of London. I want to take this opportunity to pay tribute to the team of police and prosecutors who made sure that justice was done in the case of Ali Dizaei.

Peter Luff (Mid-Worcestershire) (Con): The Leader of the House will know that the schools funding formula discriminates seriously against counties such as Worcestershire. May we have an urgent statement on the reasons for the delay in the publication of the consultation document on the funding formula review, which was expected last month?

Ms Harman: I will ask the Secretary of State for Children, Schools and Families to write directly to the hon. Gentleman.

Janet Anderson (Rossendale and Darwen) (Lab): May I urge my right hon. and learned Friend, in her role as Leader of the House, to take a close look at the mptweets website, which has been set up by a group called The Year of Collaboration? It has set up an individual Twitter account in the names of every MP in the north-west, so our constituents now believe that they are twittering with us when, in fact, we have nothing whatever to do with the site.

Ms Harman: I thank my hon. Friend for bringing this matter to public attention. This is a real problem, and I will see what Ministers might be able to do about it. In fact, my own Twitter account was hacked into this week—my hon. Friend did not know this; hers was not a planted question—and a tweet purportedly sent by me was widely circulated. I can assure everyone that it was not from me. I got a response to that bogus tweet from the former shadow Leader of the House, the hon. Member for Rutland and Melton (Alan Duncan), who is now the shadow Prisons Minister. I need to get back to him and tell him that the tweet was not from me. I would never send a tweet like that. There is a real issue here, and we need to sort it out.

Mr. Nigel Evans (Ribble Valley) (Con): We already know what too many twitters make, don't we? Moving swiftly on, may we have a debate on the future of community hospitals? At the end of 2008, the East Lancashire Hospitals NHS Trust promised a new hospital for Clitheroe and, last May, found £15.5 million to spend on it. I am therefore baffled as to why it announced in November that the project was frozen because it did not have the money. Community hospitals are vital to this country, and Clitheroe deserves its hospital. Please may we have a debate on this issue?

Ms Harman: The hon. Gentleman can rest assured that we remain committed to improving health care, because we believe that investment in public services is not a millstone round the neck of the economy, and that it actually provides vital public services such as health care. We will ensure that we pay down the deficit, halving it over the next four years, without harming vital front-line services such as his community hospital. I do not think that he could be reassured in that way by the position taken by his own Front Benchers.

Keith Vaz (Leicester, East) (Lab): In 2004, Robin Singh applied for asylum, and I made vigorous representations on his behalf. However, he was deported. He has now been kidnapped by people in Pakistan associated with the Taliban, and they are demanding a ransom of £100,000. What can the Government do to help?

Ms Harman: I will ask the Foreign Secretary to look into this matter right away, and to contact my right hon. Friend. May I also express every sympathy to the Singh family, who must be beside themselves with anxiety? I will ask the Foreign Office to do everything that it can to help.

Mr. John Leech (Manchester, Withington) (LD): Will the Leader of the House urge her ministerial colleagues in the Department for Transport to bring forward the statement on rolling stock provision? Northern Rail was originally promised up to 200 new carriages, but there is now great uncertainty about how many it will get and when it will get them.

Ms Harman: There is a debate on railways this afternoon in Westminster Hall. It will deal with rail fares and franchises, and I think that the hon. Gentleman will find an opportunity to raise this matter there.

Mr. David Drew (Stroud) (Lab/Co-op): In April this year, there will be elections in Sudan if all goes according to plan. Will the Leader of the House consider having a debate on Sudan as those elections lead up to the referendum in 2011 on whether the south should secede? The all-party parliamentary group on Sudan has just conducted an inquiry into how the elections are going, and into all the possible repercussions involved, and the subject would be well worth a debate, given all the time, effort and money that the British Government have invested in Sudan.

Ms Harman: I pay tribute to the work of my hon. Friend and the other hon. Members who play a part in the all-party group on Sudan. In the first instance, he should perhaps raise this question with the Foreign Secretary at Foreign Office questions next week.

Mr. Roger Gale (North Thanet) (Con): Before Parliament is dissolved for the general election, will the Leader of the House find Government time in which we can debate the embarrassing infringement procedures being taken against the Government of the United Kingdom by the European Commission in respect of the Government's failure to pay sick and elderly UK citizens the disability living allowance to which the European Court of Justice says they are entitled?

Ms Harman: I will look into that and get the relevant Minister to write to the hon. Gentleman.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): My right hon. and learned Friend might well have heard of the recent tragic murder of a Sikh shopkeeper in my constituency. He was a much-loved and respected member of our community and of the Sikh community. Would it be appropriate to have a debate in the House on the value of small shops and shopkeepers, and of small shopping centres? Is it not about time we stood up for small shops and shopkeepers against the Tescos and the Asdas that want to drive them all out of business?

Ms Harman: First, may I express my sincere condolences to the family on that tragic loss of life? I know that it has been felt not only by the man's immediate family but by the whole neighbourhood. I pay tribute to the people from the local pub who went to his aid. This is obviously a matter for the police authorities to investigate, but on the question of support for small shopkeepers, the Department for Business, Innovation and Skills and the Department for Communities and Local Government take every possible step to support the amenity provided by small corner shops in local communities and neighbourhoods.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): May we have a debate on housing provision for the disabled? Last week, I opened an excellent house that had been retrofitted by the charity Aspire. Two important points were made to me at the time. First, there is a shortfall of 300,000 homes for the disabled in the UK at the moment. Secondly, most of the considerable cost of retrofitting could be avoided if only developers were more mindful of the disabled when designing houses.

Ms Harman: Indeed. The Equality Bill, which is currently being considered by the House of Lords, includes a legal duty, as part of the public sector's combined legal duty, to ensure that it tackles discrimination against, and promotes equality of opportunity for, disabled people. Therefore, when making planning decisions and giving planning approval, that must be at the forefront of the minds of those concerned. I hope I can count on the hon. Gentleman's support the next time I am criticised for political correctness because of my support for the Equality Bill. I also hope I can count on his support in relation to public spending, because provision for disabled people and for their housing costs money. Although we must get the deficit down, we must keep ensuring that we make progress towards equality of opportunity for disabled people.

Mr. Denis MacShane (Rotherham) (Lab): May we have an early debate on parliamentary staff? If I hired someone who had worked with an ex-convict to carry out criminal activities, including bribing police officers, breaking into bank accounts and obtaining secret telephone conversations, any such gentleman would quickly have his pass taken off him, yet Mr. Andy Coulson stands accused in *The Guardian* today of all those activities. Surely it is time to remove the parliamentary pass from that gentleman, so that he cannot roam around the Westminster precincts.

Ms Harman: All hon. Members, on both sides of the House, ought to be very concerned about the issues raised in the report of the Select Committee on Culture, Media and Sport, to which I assume my right hon. Friend refers. The issues raised certainly reflect quite sharply on those involved, including Andy Coulson, the Leader of the Opposition's press secretary.

Sir Patrick Cormack (South Staffordshire) (Con): As the Leader of the House has made the extraordinary proposition that Members should be urged to table amendments, which she herself has decided will not be debated, will she explain the extraordinary logic of wanting to remove the title of Chairman but keep the title of Chairman of Ways and Means, as well as, presumably, her own name?

Ms Harman: Contrary to popular myth, the issue of the change from Chairman to Chair came out of the Wright Committee, of which I was not a member. It was not my proposal, but made in the Wright Committee report. We have tabled it for the House to vote on, and I would certainly vote for it. As for recommendations that the hon. Gentleman says I have decided will not be available to be voted on, there are none. I have explained the process: we have tabled the motion; he can table an amendment, as can any other Member, and if it relates to the Wright Committee report, it will no doubt be selectable and able to be voted on. Come next Thursday, we will all be able to vote on the matter.

Andrew Miller (Ellesmere Port and Neston) (Lab): Many jobs have been created and protected in my constituency, with a great deal of partnership working. One of the key partners has been the Northwest Regional Development Agency, which is working with me on a project to rescue Bowater from administration. Can we have a debate on the future of regional development agencies and their importance in helping to create and develop jobs in our communities?

Ms Harman: My hon. Friend will be able to raise the issue of the Northwest Regional Development Agency in Business, Innovation and Skills questions next week, and he will no doubt receive the answer from the Minister concerned that we greatly value the work of regional development agencies, particularly in the north-west. We remain strongly committed to them, and are determined that they will be protected from the Opposition's threat of abolition.

Mr. Nigel Dodds (Belfast, North) (DUP): May we have a statement next week on the security situation in Northern Ireland, in view of the very serious recent incident in Newry and other incidents that demonstrate the growing threat from so-called dissident republican terrorists? Such a statement would allow us to explore what the Government are doing to meet what is a threat not only to life and limb but to political stability in the Province.

Ms Harman: We all understand the concern felt across all political parties in Northern Ireland, and above all in all parts of every community in Northern Ireland, where people want a continuation of peace and prosperity and of more control over their own affairs. They do not want that to be derailed by a small number of criminals through terrorism. I pay tribute to all those who worked hard to protect people and to ensure the minimum loss of life. However, we cannot be complacent, and I know that the hon. Gentleman, all colleagues in the House and those in the Northern Ireland authorities will play their part to ensure that peace and prosperity continue.

Mr. Ian Cawsey (Brigg and Goole) (Lab): My right hon. and learned Friend is a supporter of the music industry, so she may share concerns about the slow progress of the Digital Economy Bill in the other place. Will she use her good offices to ensure that the House gets the opportunity to debate the matter, and that the Bill is given every opportunity to get on to the statute book before the election? I am only too aware that I must again declare my interest as a member of MP4, the world's only parliamentary rock band. I know that you are aware, Mr. Speaker, that the excellent charity Help for Heroes will be the beneficiaries of proceeds from our album "Cross Party", which will be released on 18 March.

Ms Harman: I think MP4 is a fantastic group with a great future, and I agree with my hon. Friend that the Digital Economy Bill is very important. The Prime Minister has spoken about the great prospects for our digital and creative industries, green technologies, advanced manufacturing and new information technology. We must invest in those new industries and jobs, so we will provide every support. He can raise the matter at Culture, Media and Sport questions next week, and, if he wants, in Business, Innovation and Skills questions, too.

Richard Ottaway (Croydon, South) (Con): We could debate for a long time whether this morning's clarification of the guidelines on assisted suicide amount to a change in the law—in my opinion, they do. None the less, if they are to command widespread respect and confidence, would it not be appropriate to table a substantive motion on the guidelines to ascertain the will of the House on that change in the law?

Ms Harman: It is not appropriate for the will of the House to be stated on that matter, because we have an independent prosecutorial system. It is for the Crown Prosecution Service, not the House, to decide who is to be prosecuted, on the basis of the evidence in each individual case. To assist the prosecutorial decision whether to bring a charge and whether the case passes the threshold for prosecution—sufficiency of evidence and whether it is in the public interest—there are guidelines, which the Director of Public Prosecutions and the CPS draw up, having engaged in the necessary consultation. The DPP and the CPS have done the consultation and are drawing up the guidelines, and a copy will no doubt be laid in the House of Commons Library. It is not for us to investigate crime or to decide whom to prosecute. It is for us to decide the law. We have decided the law, and the law has not changed.

Mr. David Winnick (Walsall, North) (Lab): Arising from that point, is it not the case that the DPP has been acting on instructions from the court, which has had a number of cases before it and has therefore decided that guidelines should be drawn up. Although I take a somewhat different position from the hon. Member for

[Mr. David Winnick]

Croydon, South (Richard Ottaway), would it not be useful to have a debate on the subject nevertheless? The last one was in Westminster Hall on 11 November 2008. In view of the controversy about assisted suicide, we should have a debate in the Chamber in the near future.

Ms Harman: My hon. Friend is absolutely right: the DPP took the action to draw up the guidelines because he was instructed to do so by a judicial decision. There has been recent extensive debate in the House of Lords on the matter. It is some time since we debated the matter in this House. We have no plans to change the law, but it is open to hon. Members to seek opportunities to debate the matter further, either on the Adjournment in Westminster Hall or on Opposition days.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I am glad that the Leader of the House has urged people who care about whether our legislation is properly scrutinised to vote next Thursday for the amendment calling for the establishment of a House business committee, which would provide for such scrutiny. That, however, does not help us in respect of business that is before us now. What assurance can the Leader of the House give that all new clauses tabled to the Constitutional Renewal and Governance Bill will be debated next week, and would I be right to suspect—although she always says that we should not be suspicious—that the new clause that I have tabled to end discrimination against women in the royal succession, which I thought she supported, might not see the light of debate?

Ms Harman: We have said on a number of occasions that the ending of discrimination in the succession is being discussed with other Commonwealth countries. The Queen is, of course, not only the Head of State of this country, but Queen of the Commonwealth countries.

I suggest that the hon. Gentleman discuss the timing of clauses and new proposals in relation to the remaining stages of the Constitutional Renewal and Governance Bill with the ministerial team at the Ministry of Justice.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May we have an early debate on the failure of the regulators in the health service to pick up serious failings in hospitals? That has happened on a number of occasions in the Mid Staffordshire NHS Foundation Trust, for instance. It is plain that the system is not sufficiently sensitive to detect problems. The statement was not enough; we now need a full debate.

Ms Harman: As the right hon. and learned Gentleman says, a statement was made about the matter on Wednesday, and the Prime Minister responded to questions about it during Prime Minister's Question Time. A great deal of action is being taken as a result of the lessons learned from the tragic Staffordshire hospital case. I add my sympathy to all who have suffered as a result of bad treatment at the hospital, and send my condolences to the families of those who have died as a result of bad treatment. It is hard enough to face a family tragedy, without feeling that it was unnecessary. Nothing can bring back the loved ones of all the people who have suffered so badly, but it may be of some comfort to them if they can be absolutely confident that lessons have really been learned so that this can never happen again.

David Tredinnick (Bosworth) (Con): The Leader of the House may be aware of a petition presented at No. 10 yesterday by myself and others, entitled "Homeopathy worked for me" and signed by 25,000 people. Given that, and given the controversial report published this week by the Select Committee on Science and Technology—which had failed to call as witnesses members of the Society of Homeopaths, doctors who practise homeopathy, and primary care trusts which commission it—may we have an urgent debate on the subject?

Ms Harman: The hon. Gentleman might wish to raise the subject on the Adjournment.

Mr. Andrew Mackay (Bracknell) (Con): May I return the Leader of the House to the issue of the growing tensions in the south Atlantic? Surely it is not sufficient to depend on the vagaries of Foreign Office questions next week in order to hear what Ministers have to say. Will the Leader of the House think again, and agree that the Foreign Secretary should make a statement to the House? She knows as well as anyone else what can happen when a desperate leader who is likely to lose the next election—such as President Kirchner—can do in desperate circumstances.

Ms Harman: I shall leave aside the rather stupid ending to the right hon. Gentleman's question. The UK Government's position in relation to the Falklands has remained that of successive UK Governments, and I am sure that it will not change in the future. Our view is that the sovereignty of the Falklands is simply not an issue. How many times does that have to be said? The Foreign Secretary has made the position absolutely clear, and I cannot imagine that any further light would be shed on the matter if he made an oral or written statement. I shall look through the statements that have been made recently and send copies to the right hon. Gentleman, but he should not do anyone a disservice by implying that there will be some sort of change of approach, because there will not be.

Mark Pritchard (The Wrekin) (Con): Notwithstanding her earlier protestations, will the Leader of the House arrange an urgent debate on assisted dying? It is Parliament that writes laws, and it is for the Director of Public Prosecutions and the courts to interpret those laws. There is real concern out in the community that the House is not having a say about the change in the law. People are very concerned about the possibility that it represents a new back door to euthanasia in the United Kingdom.

Ms Harman: It is clearly our view that there has been no change in the law, and the Government have no proposals to introduce a change in the law. I will look into when the House last had an opportunity to debate the issue, and will consider, with my colleagues, whether there is an opportunity for a further debate on it. Even if such a debate takes place, however, I do not think that there will be any question of the Government's proposing legislation. We have new guidelines under an order of the court issued by the DPP, and I think that the position is clear. Nevertheless, the House may well wish to debate the issue, and I shall have another look at it.

Mr. Hugo Swire (East Devon) (Con): May we have an urgent statement on the financial fiasco surrounding the Learning and Skills Council before it is wound up and replaced next month by the Skills Funding Agency? It is of great concern throughout the House—not least to the Leader of the House's Cabinet colleague, the right hon. Member for Exeter (Mr. Bradshaw), and to me—that there is to be the first "hard" federation between Exeter college and Bicton college in my constituency. The LSC has been told that it will have to borrow £3 million and make a loan of £1 million, and it will withdraw its support for Bicton by the end of March unless that happens. May we have an urgent statement to clarify what is going on?

Ms Harman: I will ask the Department for Business, Innovation and Skills to write the hon. Gentleman a letter about the issues involving the Learning and Skills Council in his constituency.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): May we have a debate on tertiary and sixth-form colleges? The Government recently cut the support grant for capital projects, which was roughly 15 per cent. That means that the colleges cannot reclaim VAT, and it is affecting capital programmes at all sixth-form and tertiary colleges throughout the United Kingdom. If the situation continues, the training of younger people will be stymied, because the colleges cannot spend the capital.

Ms Harman: I will ask the relevant Ministers to write to the hon. Gentleman. However, I could have looked into the matter and given him a substantive answer if he had given me a call or popped into the office to let me know that he was going to ask his question.

Mr. Andrew Pelling (Croydon, Central) (Ind): Can the Leader of the House tell me where it would be best to raise the issue of the report published this week by members of the Royal College of Psychiatrists, headed by Dr. Adrienne Key? Dr. Key claims that there is a real link between anorexia and the size of models depicted in the media, and has suggested the establishment of a body consisting of the Government, physicians, media representatives and advertisers to consider possible guidelines on this important issue.

Ms Harman: We take an interest in the matter, because it involves serious public health issues. It chiefly concerns the Department of Health, but it is covered to some extent by the Department for Culture, Media and Sport. The hon. Gentleman is right to raise it, and it has also been raised by my hon. Friend the Member for Cardiff, North (Julie Morgan) and the hon. Member for East Dunbartonshire (Jo Swinson). I will let the hon. Gentleman know whether it will be possible for him to make any further progress, in collaboration with other Members and the Government.

Mr. Speaker: Last but certainly not least, I call Mr. Bone.

Mr. Peter Bone (Wellingborough) (Con): Thank you, Mr. Speaker. In relation to next week's business, will the even-tempered and tranquil Deputy Prime Minister recommend to the Prime Minister that he attend an important meeting of an all-party parliamentary group entitled "Preventing workplace harassment and violence", or might that just ruin her life?

Ms Harman: Unfortunately, Mr. Speaker, the hon. Gentleman's question was not worth waiting for. He is such a disappointment sometimes. I still have not given up hope: I am sure that somewhere inside him is what we all want to hear. However, I am afraid we were not able to hear it today.

Speaker's Statement

12.30 pm

Mr. Speaker: I want to acquaint the House with some information that I have received. I have received a report from the Tellers for the Ayes in the Division at 7 o'clock last night on alternative investment fund managers, the hon. Members for West Ham (Lyn Brown) and for Bristol, East (Kerry McCarthy). The number of Aye votes was erroneously reported as 272, instead of 271. I will direct the Clerk to correct the numbers in the *Journal* accordingly—Ayes 271; Noes 63.

Points of Order

12.31 pm

Sir Patrick Cormack (South Staffordshire) (Con): On a point of order, Mr. Speaker. As you will recognise, the Wright Committee report is going to affect how Parliament develops for some years to come, so the votes next week are of considerable importance. I was, therefore, very disturbed when the Leader of House suggested that, although she was urging Members to table amendments, there would not be adequate time to debate any of those amendments. The whole purpose of an amendment is to allow the Member who has tabled it to explain why he or she does or does not want a particular thing to happen, and for that matter then to be discussed. I therefore submit that it is a travesty of parliamentary procedure if there is not a reasonable amount of time to debate amendments, especially amendments urged by the Leader of the House and selected by you, Mr. Speaker. Is there anything that you can do in your role as protector of the interests and procedure of this House to ensure that there is sufficient—not inordinately long, but at least some—time to debate substantive amendments?

Mr. Speaker: I am happy to comment on that matter, but as the Leader of the House is present, she has an opportunity to respond, if she wishes to do so.

The Leader of the House of Commons (Ms Harriet Harman): Further to that point of order, Mr. Speaker. There were two reasons why we put on Monday's Order Paper as remaining orders of the day all the motions that were going to be tabled by the Government: so that those on which there was unanimity could go through—about 11 of the 16 did go through—and so that colleagues could see our substantive motions well in advance of Monday's debate and table amendments. Indeed, more than 130 Members did exactly that, and as a result when we had Monday's debate there were amendments, as well as the Government motions, on the Order Paper. Therefore, the context of Monday's debate was not only the Wright Committee report and the substantive motions, but the amendments that were already on the Order Paper, including those tabled by the hon. Member for South Staffordshire (Sir Patrick Cormack). We will have some time for debate next week—about 90 minutes. That is enough time to discuss issues that were already within the purview of the debate on Monday, which lasted for six hours. The reality is that the hon. Gentleman should not believe that Members will not understand some of his proposals because they have not had a chance to debate them, and that therefore they might not vote for them. The truth is that we have had eight hours of debate on this, and there is no procedural issue of substance here. The point here is that we should be clear about what is on the Order Paper and get on and vote on it.

Sir Patrick Cormack *rose—*

Mr. Speaker: I do not want a prolonged exchange on this matter, but I am in a very generous mood, so if the hon. Gentleman wants to speak again, he can do so.

Sir Patrick Cormack: Further to that point of order, Mr. Speaker. I am extremely grateful to you for your

generosity, but this is a matter that affects the House, and it will do so for some years to come. I am prepared to accept there being 90 minutes to debate those amendments that were already on the Order Paper and that Members know about, but the Leader of the House has herself urged us this morning to table further amendments. My point is that there must be at least another 90 minutes to debate those new amendments, which none of us has seen or knows about, so we do not know how we are going to vote on them. I therefore ask you, Mr. Speaker, to ensure—if you possibly can—that there is an extension of that 90-minute period for that purpose.

David Tredinnick (Bosworth) (Con): On a point of order, Mr. Speaker. I want to raise the issue of the advice given by Clerks to Select Committee Chairmen. It is my belief that the advice the Clerks provided to the Science and Technology Committee Chairman was inadequate, in that the evidence taken by the Committee in its evidence check on homeopathy was biased, as they did not call representatives of the homeopathic profession and instead chose a professor who did not represent the alternative medicine world. They chose the one person who would give an answer that suited those who were in opposition.

Mr. Speaker: It is conceivable that that issue might be a proper matter for consideration by the Liaison Committee. I say very clearly to the hon. Gentleman and the House that the reason why I will not comment on this matter is that the Speaker does not comment on matters that appertain to Select Committees, including the provision of advice to such Committees. What advice was, or was not, offered by the Clerk to that Committee is a matter between that Clerk and his or her Committee. If, notwithstanding what I have just said, the hon. Gentleman remains dissatisfied and is unable to get satisfaction from the Committee, he could consider an approach to the Liaison Committee.

Let me just come back to the issue that preoccupied the hon. Member for South Staffordshire (Sir Patrick Cormack) and to which the Leader of the House has replied. I am afraid that I can add very little. The hon. Gentleman will know that I am almost invariably an enthusiast for the maximum debate. He will also know, on the strength of his 39 years and eight months of service in the House, that these are matters for the Government; the timetable is a matter for the Government and I cannot interfere with it. Moreover, I think it is fair to say, as the Leader of the House has done—it is important that people outside are conscious of this—that there has been a very substantial debate on these matters. Certainly, the amendments that were on Monday's Order Paper regularly featured in the speeches and interventions made in the debate of that day. I do not have the figures in front of me, but it is my recollection that more than 20 Members made speeches, and a further 10 or more Members intervened—in some cases quite frequently—during the debate. So the debate was very well attended and there were many contributions to it. It would always be good to have more time, but I am not sure that I can offer any, and there will be an hour and a half on Thursday. If the hon. Gentleman is still dissatisfied, he can put in a plea to the Leader of the House or through the usual channels, but I am not sure that I can offer anything further.

Welsh Affairs

12.37 pm

The Secretary of State for Wales (Mr. Peter Hain): I beg to move,

That this House has considered the matter of Welsh Affairs.

As we take this opportunity to debate and celebrate all that is Welsh and our pride in Wales, perhaps there is a lesson to be learned from our national team's sensational last-minute victory against Scotland the other Saturday—do not write off the red team until the final whistle. By the way, I am talking about rugby and politics, not football.

Of course, no one can deny that this year has been tough for us all—families, businesses, communities and Governments the world over. Yet, even in this difficult year, Wales has seen a number of firsts, such as our first Ashes test match and the first time that the UK Cabinet has ever met in Wales. We have showcased the very best of Wales as a great place to visit, to watch world-class sport and to do excellent business.

The people of Wales have also resolved that the rise of racist, fascist organisations must be stopped. These far-right groups first tried it on in Swansea, but then abandoned their vile demonstration plans in Newport and Wrexham in the face of decent, concerted community action. We must not be complacent, however; wherever the so-called Welsh Defence League and the British National party threaten our decent, tolerant communities in Wales, we must all stand together to resist them. I am pleased to confirm that the first ever conference of Unite Against Fascism (Wales) will take place in Cardiff in early March, and I would welcome support from any and all parties in Wales. Together, we must prevail over the poison of racism.

Our main task now is how we secure the recovery in Wales, and the fact that securing the recovery, rather than sliding back from recession into depression, is now on the agenda has not happened by chance. After the worst global recession for 80 years, other economies have experienced far higher levels of unemployment—Spain 19.5 per cent., France 10 per cent., Ireland 13.3 per cent., and America 9.7 per cent. The figure for Wales is 8.6 per cent.

Mark Pritchard (The Wrekin) (Con): The Deputy First Minister of Wales, Ieuan Wyn Jones, has said that there is "no room for complacency" on unemployment figures. The Secretary of State refers to other parts of the world, but is it not a fact that the unemployment rate in other parts of the United Kingdom is 7.9 per cent., which should be compared with the 8.6 per cent. rate in Wales that he has mentioned? Thus, the comparison also needs to be made with what is happening within the United Kingdom; we should not just make the comparison with other parts of the world.

Mr. Hain: I am very happy to make the comparison with other parts of the United Kingdom. As I shall describe later, if we were to examine Wales's performance now compared with what happened during the recessions of the 1980s and 1990s under the previous Conservative Government, when the recessions were not nearly as bad as this recession either within the UK or across the globe, we would find that we have done far better on employment and unemployment.

Mark Pritchard *rose—*

Mr. Hain: I shall come to those points in due course.

Our Government and the Welsh Assembly Government have painstakingly secured a strong Welsh economic platform to build for the future. Until Spring 2008, Britain experienced an unprecedented period of continuous growth for more than 11 years under our Government, which saw the United Kingdom's gross domestic product grow by more than 32 per cent. since we came to power in 1997. However, the global financial implosion that followed has hit that enormous achievement for six, and the Government have had to respond, not by downing tools as Conservatives did in the 1980s and 1990s to disastrous effect in Wales, but by active intervention to fill the gap left by the collapse in private sector activity and investment.

Fair-minded people now accept that our Government made the right choices. We saved the banking system, on which every business and household in this country depends—the Tories opposed that action, just as they opposed the fiscal stimulus package, which, among other things, has delivered a £1 billion future jobs fund. That has already created more than 9,900 job opportunities for young people across Wales, stopping them being thrown on to the scrap heap as happened under the Tories in the 1980s and 1990s with most never to work again.

The stimulus package has also delivered the car scrappage scheme. More than 347,000 orders have been taken since the start of the scheme, 17,350 of those in Wales, thus protecting jobs and companies in the automotive sector. It has also delivered the business support schemes, such as the time to pay arrangements, under which more than 11,100 businesses have deferred nearly £155 million of business taxes in Wales alone. That comes as a result of the action that we have taken as a Government—it is all action opposed by the Conservatives.

Lembit Öpik (Montgomeryshire) (LD): May I put on record my gratitude to the Secretary of State and his fellow Ministers for the help that they have provided, first in securing Regal Fayre, which is a new company in the town of Montgomery, and secondly, in helping to save 180 jobs in the Shop Direct call centre in Newtown? It is my opinion that the Government's assistance directly contributed in a positive way to saving those jobs, and I am grateful for the assistance that he has personally provided.

Mr. Hain: It is not often that we get thanked from across the Floor of the House, so I am grateful to the hon. Gentleman for those thanks. He has worked tirelessly on behalf of his constituents and has properly represented them to the Government, and we have been able to help in the way that he has described. I am very pleased for the local work force that that is the case.

We have given real support—real help for real people—requiring rises in public investment without which the Government deficit would be even higher. The irony of the Tories' opposition to our recent public investment programmes is that the very Government deficit they complain about would have been even higher had we taken their approach, because there would have been more unemployment and greater borrowing to finance people who would have been on the dole instead of in work, earning incomes and paying their taxes.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): The Secretary of State has tried to make some reassuring remarks about the size of our deficit. Our deficit is £178 billion—it is even bigger than Greece's, yet I saw that the Prime Minister was trying to lecture the Government of Greece about fiscal responsibility. There is nothing reassuring and no reason to be complacent about the size of the UK's deficit—it is a disaster for the country.

Mr. Hain: Nobody, let alone members of the Cabinet, such as myself, is being complacent. My point is that if we are that concerned—as we all, including the hon. Gentleman, ought to be—about the size of the deficit, why would we make it worse? That is what the Tory policies over the past year would have done and what Tory policies over the coming year would do. If a Government closed down many more businesses and gave many more people the sack—that is what the Tories would be doing—the deficit would grow bigger. Everybody understands that; it is schoolboy and schoolgirl economics. That would be a consequence of Tory policies.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): While the right hon. Gentleman is painting such a rosy picture of Labour's time in office, could he explain why 200,000 children in Wales still live in poverty—as measured before and after housing costs in the Department for Work and Pensions report "Households Below Average Income 2007-08"? Can he also explain why Save the Children claimed last month that 96,000 children in Wales are living in severe poverty under his Government?

Mr. Hain: It was because we are concerned about the numbers on poverty that we set a target for abolishing child poverty just as soon as we can. What I cannot understand is how the hon. Lady's policies for cutting child tax credits and child trust funds will help with the well-being of children in Wales. After a period of disastrous increases in pensioner poverty, child poverty and poverty across the board in Wales under the Conservative Government whom she supported, we have reduced the level of poverty for pensioners and children in Wales.

Mark Pritchard: On a point of order, Mr. Deputy Speaker. [HON. MEMBERS: "A point of order?"] I know that this seems odd, because I do not raise many points of order. However, it is an important matter for the historical record when a Secretary of State of Her Majesty's Government comes to the Dispatch Box and says something that is completely inaccurate. He claimed that a Conservative Government would—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order.

Mark Pritchard: He claimed that they would abolish child—

Mr. Deputy Speaker: Order. What is a point of order is that when the occupant of the Chair rises any other hon. Member should resume their seat. Perhaps the hon. Gentleman is wise to be sparing in his points of order, if he thinks that that constituted one—it is more a matter for debate. He has said something on the record; he must be satisfied.

Mr. Hain: I am surprised that the hon. Gentleman rose, because it is a matter of record what the Tory party's policies are on child trust funds, child tax credits and other such matters. The Tories were wrong on the recession, and they are wrong on the recovery. Their plans for early and savage public investment cuts would choke off the recovery. They have no plans for growth—they have only a plan for austerity.

Our Labour Government investment has ensured that, despite the worst global economic recession in more than 80 years, we have avoided the spectre of industrial decline, long-term unemployment and run-down public services—those are the kind of problems that Welsh people lived through to such terrible effect in the 1980s and 1990s.

Albert Owen (Ynys Môn) (Lab): This September, my wife and I will be celebrating our 27th anniversary. In the 1980s, we bought our first house and interest rates were 13 per cent. Mortgage rates varied in the '80s and '90s between 13 and 17 per cent., and house repossessions were at a record high. Is not the big distinction that the inflation rate is 3.5 per cent. now, not 13.5 per cent.? That lower rate not only helps couples to stay in their homes, but helps small businesses and the economy to recover.

Mr. Hain: First, may I congratulate my hon. Friend on an excellent 27 years of marriage? He is right to say that many people like him who bought their first house in the late 1980s were immediately plunged into negative equity as a result of the disastrous policies of the then Conservative Government. As I have said, our Labour Government investment has ensured that we have avoided the worst consequences of this recession and that employment levels and other indicators are better than they were in the 1980s and 1990s.

Our record speaks for itself—

Mrs. Gillan *rose—*

Mr. Hain: May I finish this point? Our record speaks for itself. There are still 95,000 more people in work in Wales than when Labour came into office in 1997. Long-term unemployment in Wales is more than 55 per cent lower than it was in 1997, despite the recession. It is almost 70 per cent lower than it was at the height of the last home-grown recession in the 1990s. Average house prices in Wales are more than 140 per cent. higher than they were when we came to power in 1997. Repossessions in Wales are 39 per cent lower than they were in 1991. The average household has nearly £5,000 more disposable income now than in 1997 and gross value added per head in Wales has risen by 49 per cent. since 1997. In the early 1990s recession, many more businesses failed in Wales, with the company liquidation rate two and half times higher than the current rate. On that high note, I give way to the hon. Member for Chesham and Amersham (Mrs. Gillan).

Mrs. Gillan: I am grateful to the Secretary of State for giving way, because it gives me the opportunity to congratulate the hon. Member for Ynys Môn (Albert Owen) and his wife on 27 years of happy marriage. Many congratulations to them.

It is not good enough for the Secretary of State to say one thing in this place and another outside. Will he get his stories right? I believe that he said on BBC Wales online on 22 April last year that if efficiency savings had been made

"earlier on at a time of rising spending...I think"

we

"would have been in a better position to move forward."

Which is it? Have his Administration messed up or does this wonderful picture that he is trying to paint for us now show what has happened? While I am on my feet, let me mention that he said in *The Western Mail* that characterising the situation as a case of

"'nice' Labour reductions in public spending"

versus

"'nasty' Tory cutbacks would be a mistake".

That is a mistake that he is making now.

Mr. Hain: The planned Tory cutbacks would be nasty in their effect on Wales.

The difference between a Tory Government and this Labour Government is as I have just described: repossessions are relatively low; average house prices are higher; average household income has risen; unemployment is lower; and the rate of business failures is much lower than it was during the home-grown, Tory-induced recessions of the early 1990s and early 1980s, which were unlike the global recession from which we have suffered in recent times. That is the difference between a Tory Government and this Labour Government. A Tory Government leave people on their own, and a Labour Government are on those people's side.

Mr. Philip Dunne (Ludlow) (Con): On the subject of business collapse, does the Secretary of State appreciate what has happened in the petrol filling station arena? More than 111 petrol filling stations have closed in the past five years as a direct result of what the Labour Administrations here and in the Assembly intend to introduce with the business rates revaluations. Increases without any transitional relief, such as that in England, are putting at risk the remaining 572 petrol stations in Wales, of which 206 are in rural areas. One of those is facing an increase in business rates of 725 per cent. How does he expect that business to survive that kind of increase?

Mr. Hain: I know that there is concern about business rates and the changes in Wales, but 60 per cent. of businesses benefit from those changes according to the Welsh Assembly Government. The reasons for petrol station closures are much broader than the hon. Gentleman suggests, and not least among them are the extremely cheap prices from supermarkets. To my regret—as a result of market forces, not of action by this Government—they are forcing too many local petrol stations to close.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The Secretary of State claims credit for his Government for the fact that this recession is not as acute and difficult as the last one. Individuals have made a contribution, too, by working part time and by cutting their hours. There has been a huge amount of suffering as a result of the recession, but individuals have played their part in helping. I am sure that the Secretary of State wants to congratulate them on that.

Mr. Hain: I am grateful to the hon. Gentleman for giving me the opportunity to do so. I was openly arguing that the recession has been very tough for people; I said that right at the beginning. Individuals have made sacrifices such as working fewer hours and, as a result, having lower earnings, and that has helped us to get through this terrible recession, which has been a worldwide recession, in better shape than we would have been—this is my point—if we had followed the policies of the Conservative Opposition. Had they been in government, everybody in Wales would have been far worse off. That is indisputable.

Mark Pritchard: Will the Secretary of State give way?

Mr. Hain: I shall take one final point from the hon. Gentleman.

Mark Pritchard: I am grateful to the Secretary of State, who is being very generous in giving way. I think that I might be the only person in the House who has worked in a petrol filling station—Cymmer Afan petrol station in Cymmer, where I used to live in Wales. Cymmer Afan petrol station had been there for years and was run by a wonderful family, but it closed down just before Christmas. I am shocked by the Secretary of State—I know that he has been busy celebrating his 60th birthday this week, but he should not forget that unemployment is not low in Wales, but high at 8.6 per cent. Forgive me, but I believe that the Secretary of State's complacency is breathtaking.

Mr. Hain: The hon. Gentleman will find in the official record, as everyone else in the House will have noticed, that I quoted that figure of 8.6 per cent. earlier in my speech. My point was not that it was not of concern—of course it is. I represent a Welsh constituency where people have lost their jobs. My point is that without Government action and that if we had followed the Conservative prescription, which he supports, of cutting public investment—

Mark Pritchard *indicated dissent.*

Mr. Hain: That is what the Conservatives have said. They have said that we spent too much money on business support, job support programmes and so on over the past year. If we had taken that course, those problems would have been far worse.

Dr. Kim Howells (Pontypridd) (Lab): I thank my right hon. Friend and hope that he can now get on with the substantive part of his speech. He will recall that in the 1980s, after the terrible onslaught on our basic industries, Wales reinvented itself. The industrial areas of Wales reinvented themselves, and we will do so again. Will he tell the House something about how the Government see the way forward for breaking with the enormous dependence on the public sector? If Wales does not reinvent itself as a home for entrepreneurs, for small businesses and for high-technology industries, we will miss out on the new generation of industries in the future.

Mr. Hain: I cannot agree more with my right hon. Friend. May I take this opportunity to pay tribute to him for his long service in the House and for his excellent record as a Labour Minister and to express my personal disappointment that he is standing down, although I understand his reasons for that? This will be his last Welsh affairs debate. I agree with him absolutely. A little while ago, I made a speech in the House in which I said that we had to strengthen our private sector and could not rely on the public sector to the extent that we had. However, that requires new investment to support the new industries and businesses of the future and to unleash the entrepreneurial spirit and innovation that we need, particularly in low-carbon industries and the digital economy. That requires Government support—it does not happen on its own. Individual entrepreneurs and small businesses need to grow with Government backing, not to have that support stripped away from under their feet so that they are unable to deliver what they are capable of.

Mrs. Gillan: Will the right hon. Gentleman give way?

Mr. Hain: I think I need to make a bit of progress.

Mrs. Gillan: One more time?

Mr. Hain: Okay.

Mrs. Gillan: I am grateful to the right hon. Gentleman for giving way, but I want to give him the opportunity to set the record straight. I believe that I heard him say earlier that fewer companies have gone to the wall in Labour's recession. I understand that more companies have gone bust in Labour's recession than in any other recession since records began. There were 26,978 corporate compulsory liquidations and company voluntary arrangements. That information comes from the Office for National Statistics time series and the Insolvency Service's "Company liquidations in England and Wales 1960 to present". Will he confirm that he did not make an error when he said that he felt that fewer companies had gone bust in this recession? I think that these statistics prove that he was wrong in this instance.

Mr. Hain: What I said—I shall read again to the hon. Lady from my speech—was that in the early 1990s recession, many more businesses failed in Wales, with the company liquidation rate two and a half times higher than the current rate. That is my point—not that the current rate of liquidations is acceptable or that any business failure is acceptable. Things were relatively far worse in the 1980s and 1990s, and specifically in the 1990s in that respect.

Our action both in Westminster and in Wales has delivered real help to individuals, families and businesses across Wales, and we will continue to do that as the Welsh economy recovers. To cut off support now, as the Conservatives and right-wing commentators propose, would wreck the recovery. With oil prices rising, international volatility and the weak eurozone, and with countries such as Greece and Ireland facing serious crises, we must prevent this fragile recovery from sliding back into recession or, even worse, from causing a severe, prolonged depression.

Ann Clwyd (Cynon Valley) (Lab): I know that my right hon. Friend supports the idea, as does the Prime Minister, of a Robin Hood tax on global financial transactions that would spread both benefits and risks more fairly. Will my right hon. Friend elaborate on his support for that tax?

Mr. Hain: I am grateful to my right hon. Friend for that question. She is absolutely right to say that I have supported the Robin Hood tax, as most fair-minded people have. Indeed, the extent and breadth of support for it has been interesting. It is now backed by groups right across the board, from the Salvation Army to those such as Friends of the Earth, which we would have expected to support it. That is entirely consistent with the Prime Minister's international leadership in seeking to get an international tax on financial transactions, not least to provide insurance support to prevent the banks from collapsing and having to rely on the public purse in the future. I am glad that my right hon. Friend gave me the opportunity to make those comments.

The Tories have lost all credibility on the economy. First, they promised austerity, until they realised that that did not play well with their focus groups. Then they said they would cut the deficit "further and faster", but later realised that the sums did not add up. Now they have changed tack again and all they will say is that they will "make a start" on cutting spending. They are making it up as they go along, giving a nod to their baying right and then a reassuring wink to their worried left. They cannot be trusted and they would deliver a decade of austerity and low growth for Wales. They would cut support to the economy, which would lead to higher unemployment, bigger welfare bills and in turn to even higher borrowing and debt. They would bury hope with pessimism and would deliver a decade of austerity rather than the decade of growth that we plan.

In January, Britain emerged from the toughest recession since the 1930s. The growth figure, although modest, combined with the good news that unemployment in Wales fell for the first time since the recession began, means that we can be cautiously—I stress cautiously—optimistic. But things will not be easy; our priority now is to lock in the economic recovery. Access to finance from banks is still a major problem for too many businesses, especially small ones. I heard yesterday from representatives of small businesses in Cardigan whom the hon. Member for Ceredigion (Mark Williams) brought to see me with the hon. Member for Montgomeryshire (Lembit Öpik). Those businesses are having difficulties with the banks. Far too many businesses are unable to get loans from banks at rates that they can afford. The banks are charging small businesses ridiculously high rates of interest, as the hon. Member for Ceredigion explained to me.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I appreciate the Secretary of State's comments on this issue. We are all struggling with businesses that are unable to get reasonable credit, but was not the right time for the good Lord Myners to impose certain conditions in that regard when the deal was struck and the money was put into the banks?

Mr. Hain: We have been pressing the banks. We have done so since the beginning and during negotiations that led to the support, without which the whole banking system would have collapsed. We have stressed that the priority is for the banks to get the money out into the real economy. They have spent most of the time recapitalising themselves. As the hon. Gentleman has raised this point, let me report briefly on the past couple of economic summits that have been convened by the First Minister in Wales with my support and with the participation of a wide range of groups, including businesses and trade unions. One of the most telling points that everyone accepts, given the evidence that we have received, is that local bank managers no longer have—and have not had for the past 10 to 15 years—the autonomy to take certain decisions. That applies even though some of them have built up relationships with local businesses, know them and their directors and know the health of the economy. Instead of being able to sign off loans and continue credit arrangements, they have to pass decisions up the line to someone who sits at a computer, feeds material in and then says no.

Lembit Öpik: I know that it is not fashionable to do so, but I have to report two bits of good news. HSBC and the Royal Bank of Scotland have recently been quite helpful during detailed negotiations, but they are strapped by the recapitalisation demands on them. Nevertheless, does the Secretary of State agree that had the Conservatives been in government at the time and presided over the collapse of the banking system, there would have been no prospect whatever of economic recovery? It seems to me that that is what would have happened if they had carried out their promises at the time.

Mr. Hain: Again, the hon. Gentleman is absolutely right and speaks the truth. At that really difficult moment when the whole of the banking system could have collapsed, after which people would have lost their savings and much calamity would have resulted, if the disastrous policies that the Conservatives advocated had been followed, they would have made things much worse, whereas people accept that our policies have delivered results.

As I have said, it will not be easy to emerge from recession. We need to lock in the economic recovery, but finance from the banks is still a major problem. That is why we have committed another £500 million to the enterprise finance guarantee scheme, thereby enabling more businesses to access it. Currently, more than £33 million of loans have been offered to nearly 430 companies in Wales. Again, that support would be cut by the Conservatives.

Hywel Williams (Caernarfon) (PC): While the Secretary of State is in a happy and optimistic mood, will he tell us whether he is happy with the bonuses being paid by RBS? I think that the figure announced this morning was £1.3 billion. Is he sanguine about that?

Mr. Hain: I think that bankers have made themselves even more unpopular than politicians in recent times, and that is saying something. I do not like that level of bonuses. The chief executive of RBS has said that he is not taking a bonus. Obviously, the high bonuses for high earners have been restricted in all sorts of ways as a result of Government intervention, but the banks need to explain to the public, whose money has bailed them out, how they can possibly justify those very large bonuses. They need to give those explanations to the citizens of—in this case—Wales.

On the banks, how can anyone take the Tories seriously when they say that they will cut the deficit further and faster, now that they are planning practically to give away bank shares? Their deficit reduction plan is a total farce. As for shares in the banks, the public rightly demand that we should focus on getting back their money—the £70 billion that was handed to the banks by the Government. We were right to bail the banks out

[Mr. Hain]

because we had to save the banking system so that the recession did not become a prolonged depression. However, it should be obvious to everybody that any responsible Government who are really committed to cutting the deficit and getting those billions of pounds of public money back must not discount those shares but sell them at a time and in a way that will maximise their value to the taxpayer. The Conservatives have merely offered the people of Wales and the United Kingdom an irresponsible and costly political gimmick. By contrast, we have supported businesses and our intervention has avoided unemployment rising as high as many predicted it would. Unemployment in Wales has fallen slightly in the past two months, but we cannot be complacent; unemployment may rise again and every job loss is devastating for those concerned.

We know that young people across Wales have been hit particularly hard by the recession but we will not condemn a generation to unemployment like that in the 1980s and 1990s. To prevent another generation from being lost to work we have extended the young person's guarantee so that young people receive training and support after six, rather than 12, months, to ensure they have the necessary skills for permanent worthwhile employment. That said, youth unemployment in Wales is still a quarter lower than it was at the height of the early '90s, and long-term youth unemployment is nearly two thirds lower.

Alongside those measures, we are looking to the future. We are not cutting back, but are investing to promote growth in the new industries of the digital, low-carbon economy that my right hon. Friend the Member for Pontypridd (Dr. Howells) mentioned earlier. We have used the strategic investment fund in Wales to invest in a £44 million high-performance computing institute—a world-class facility to build a world-class Wales. By giving companies in Wales improved access to the latest IT and training, we can ensure that Welsh businesses are able to compete on a global stage alongside other world-leading innovators.

Faster growth means more people going back to work, thus cutting the costs of unemployment and cutting the deficit. If we had walked by on the other side, believing that unemployment was a price worth paying, then the deficit would be even greater and unemployment rates even higher. That is the reality of a Tory recession. We saw it in the 1980s and '90s—will they never learn?

I say it again: Welsh citizens need a Government who are on their side, not a Government who leave them on their own. That is why we celebrate—

Mr. Crabb: Will the Secretary of State give way?

Mr. Hain: I have given way a lot up to now, and I want to make some progress.

That is why we celebrate, not apologise for, this 10th anniversary of Labour passing the National Minimum Wage Act 1998. It remains one of this Government's proudest achievements, having benefited millions of people. The latest increase in the national minimum wage has benefited over 50,000 workers in Wales alone.

When the hon. Member for Chesham and Amersham voted against the national minimum wage, as she did—

Mrs. Gillan *indicated assent.*

Mr. Hain: The hon. Lady nods her head in satisfaction. Then, wages of as little as £1.20 an hour were common and legal in our constituencies. That is just £1.38 an hour in today's prices. So when she tries to say that she cares about families and people struggling to make ends meet, we can imagine what it would be like to live on £1.38 an hour today, as might have been the case without the minimum wage.

Mrs. Gillan: The right hon. Gentleman knows that that sort of rhetoric is rather cheap, and that I do care about families and individuals. The minimum wage has certainly done a good job in places, but would not a minimum income have been better for families?

Mark Tami (Alyn and Deeside) (Lab): The hon. Lady did not argue for that.

Mr. Hain: She certainly did not argue for that. Is she now saying that she was wrong on the minimum wage, just as she has been, and in her current policies continues to be, so wrong on so many other things? The Leader of the Opposition said that the minimum wage

"would send unemployment straight back up",

but Labour has delivered a rising minimum wage, and more people in work than ever before in Wales.

We also want to take Wales forward as part of a digital Britain. The Conservatives seem ready to cast aside any broadcaster that dares to compete with Rupert Murdoch. We say that sharing a fraction of the BBC's licence fee—and it is only a tiny fraction— is necessary to help make sure that we get diversity of television news and strengthen local and national media outlets across Wales. *[Interruption.]* The hon. Member for Chesham and Amersham is muttering into her cups over there, but the Opposition are opposing our support for a new news outlet on Channel 3.

If the Conservatives get their way and refuse to back the pilots with the funding from the licence fee that we support, there is a real danger that Channel 3 will no longer have Welsh news, and that "Wales Tonight" and the other news programmes that it broadcasts will be lost. That funding is only a tiny fraction of the licence fee and, as I say, it is necessary to help make sure that we get diversity of television news and strengthen local and national media outlets across Wales. We want choice for the many and not, as the Opposition would prefer, profits for their rich friends.

Andrew Mackinlay (Thurrock) (Lab): I am very grateful to my right hon. Friend for giving way and I apologise for interrupting. I asked the nice man sitting on his left, who seems to have an advance copy of my right hon. Friend's speech, whether he was going to deal with governance. I got the impression that he was not, and I did not want to be disappointed about not intervening to ask about it.

As an English Member of Parliament I am very interested in governance, and hope that my right hon. Friend will address this issue. Ministers with primarily English portfolios have taken arbitrary decisions without consulting their opposite numbers in Belfast, Edinburgh and Cardiff. As Secretary of State for Wales, will he jealously press the Justice Secretary, who is the custodian of these matters, to ensure that that does not happen?

By way of example, and in conclusion, I refer to the arbitrary decision of the Secretary of State for Health to abrogate and tear up the reciprocal health agreements between the Isle of Man, Guernsey and Jersey, without consulting the Health Ministers in Wales, Edinburgh or Northern Ireland.

Mr. Hain: My hon. Friend has got me on that one. I always admire his energy as a parliamentarian, but this Government have been an enthusiastic devolver of power. We have devolved more powers than any other Government in our history, and of course we respect the rights of Wales, Scotland and Northern, as we do those of the islands that he mentioned.

I cannot for the life of me understand why the hon. Member for Chesham and Amersham now opposes the 50p monthly levy on telephone line rentals to finance super-fast broadband everywhere in Wales. How can she justify all the "not spots" in Wales, and all the households and businesses there—such as those whose representatives the hon. Member for Ceredigion brought to see me yesterday—that are now unable to get broadband? How can she justify them falling even further behind while the rest of Britain forges ahead?

Adam Price (Carmarthen, East and Dinefwr) (PC): In response to the question about governance raised by the hon. Member for Thurrock (Andrew Mackinlay), the Secretary of State rightly said that he has been an enthusiastic proponent of devolution. Will he tell the House when he intends to reply to the letter written to him by his colleague the First Minister for Wales?

Mr. Hain: I have replied to that letter, and on Monday I put a copy of the First Minister's letter and my reply in the Library of the House of Commons.

Lembit Öpik: On broadband, I am heartened by the Government's apparent commitment to address "not spots". Many of my constituents live in such areas, so will he say when they can expect to be connected to broadband? At present, they can do that by satellite, but there are some technical limitations to what they can get by that means, which is also tremendously expensive. They will be very encouraged if they can get an assurance that the Government are truly committed to funding the arrival of broadband, especially in small towns and villages such as Darowen and Staylittle.

Mr. Hain: Indeed we are committed to that. It is precisely to address the future needs of the Welsh economy that the Government want businesses and residents in the small towns of the kind that he and many of us represent to have access to fast, high-quality broadband. We have proposed the levy of 50p a month on telephone line rentals to fund that. I cannot give a time scale, but I am happy to write to the hon. Gentleman, especially if he lets my office know which specific areas he is talking about.

Mrs. Gillan: Many pensioners—perhaps especially those who live on their own—are not familiar with the iPhones and other mobile telephone technology that both the Secretary of State and indeed I have. Has he calculated how many of those pensioners will be paying this levy? How many business and call centres will pay it, and would it be better for them to relocate to other places?

Mr. Hain: What is the hon. Lady suggesting—that paying a UK-wide levy of only 50p extra a month should encourage residents and businesses to flee our shores wholesale? How would she address the issue? We get no policies from the Conservatives on these vital questions, whereas we have provided a practical and funded route to delivering universal broadband.

Mrs. Gillan: How many pensioners?

Mr. Hain: I can take my own mother as an example. She is a Welsh pensioner, and is quite happy to pay the rental. She is on broadband, and emails and texts almost obsessively. I suppose that she is an example of a modern pensioner in Wales, and I know that she is happy to be part of the broadband revolution that the Conservatives oppose.

Under Labour, the Welsh budget has more than doubled from under £7 billion in 1996-97 to nearly £16 billion in 2010-11—a bigger real terms rise than ever in Wales's history. The Welsh Assembly Government have opened nine new hospitals, and of course introduced free prescriptions. That policy is now under threat from the Tories, but it particularly benefits those people on low incomes or with chronic illnesses who may not have previously been eligible for free prescriptions under the complicated and outdated exemption system.

The Welsh Assembly Government have introduced free primary school breakfasts for more than 900 schools across Wales—also a policy under threat from the Tories. Free bus travel for the over-60s and concessionary rates for people with disabilities have also been hugely successful, with more than 600,000 people benefiting from free travel. That is also under threat from the Tories. In Westminster, we are passing laws to promote equality, tackle discrimination, help vulnerable people with their energy bills, grant equal treatment for agency workers and enshrine in law for the very first time our commitment to abolish child poverty. Those policies were all resisted by the Tories. That is the role of an active Government who care, and that is a programme for a Labour Government who help the many, not a Tory party that wants to help out only a tiny few.

People in Wales increasingly realise, when they add it all up, that they cannot afford to lose this Labour Government. The Tories would be a change that we in Wales cannot afford. Instead of proposing tax breaks for millionaires, we are protecting the most vulnerable. On average in 2009-10, as a result of our tax and benefit changes, pensioner households will be £1,500 a year better off than they would have been if the pre-1997 system had continued. On average, the poorest third of pensioner households will be £2,100 a year, or £41 a week, better off than they were under the 1997 system—due to the Government's tax and benefit changes.

Our winter fuel payment has risen from £10 under the Tories to £250 for the over-60s, rising to £400 for the over-80s. Again, they are policies offering vital support that could well be cut under the Tories' austerity programme. Evasive and unfair—that is the Tory attitude to Wales. The shadow Chancellor, through his pay freeze, would on average cut the pay of every nurse and teacher in Wales by about £300 per year—all at a time when those at the top would receive the biggest tax breaks. Under the Tories' initial proposal for the married couple's allowance, for example, the highest earners would receive

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13 times as much of the benefit as someone at the other end of the income scale. As soon as that proposal came under scrutiny, the Tories buckled, being unable to explain how a mother who was suddenly widowed would become poorer under their married tax allowance policy. They are trying to make policy with a nod and a wink.

We will reduce the public deficit fairly by halving it within four years. We have always said that we will ensure that those with the broadest shoulders bear their fair share of the burden. Those words have been borne out by actions, such as our new 50 per cent. top rate of tax, a pay freeze for top civil service earners and a one-off tax on bankers' bonuses of £25,000 or more. All those measures have been opposed by the Tories. Instead, they are sticking to their plans to give the 3,000 very richest people an extra £200,000 each in inheritance tax cuts, while delivering savage public spending cuts and a pay freeze for public sector workers.

We have delivered on our spending review promise and increased Welsh funding by £500 million for 2010-11. That is new money, and it would not be going to Wales if the Tories had their way.

Mr. Crabb: The right hon. Gentleman sits in a Cabinet that approved a brutal cut of almost £1 billion to the higher education budget in England, meaning that many thousands of Welsh students who are hoping to study at English universities later this year will be told that they do not have a place. Indeed, they will probably go on the youth unemployment roll, so how does that benefit young people in Wales?

Mr. Hain: We have asked universities to make efficiency savings, and I do not think that "a brutal cut" is a phrase that any vice-chancellor recognises. Indeed, one Welsh vice-chancellor told me relatively recently that he thought that the measure could be easily absorbed without any of the consequences that the hon. Gentleman describes. Interestingly, the number of people applying to and getting into universities has been rising steadily, including over the past year.

We are in no doubt where the truth lies: the Tories would have an emergency Budget within weeks of entering power and leave Wales as the biggest casualty, with hard-working Welsh people fighting for their livelihoods. The Tories would make savage and swingeing cuts to the public services of Wales, creating a huge rise in unemployment and a collapse in businesses that supply the public sector.

So where else would those cuts fall? The Tories cannot deliver what they promise without slashing investment in Welsh schools and hospitals, Sure Start and large projects such as launch aid for the new Airbus planes at Deeside. Since 1997, and after years of decline in our public services, we have invested in our health service, schools, infrastructure and police force. People depend on those services being well funded and efficient, and in Wales there are almost 7,300 police officers—700 more than in March 1997.

Health spending in Wales has increased under Labour to more than £1,900 per person per year, and that is more than double the 1996-97 Tory figure. GP numbers have risen by 9 per cent. over the past decade, and nursing, midwifery and health visiting staff numbers rose by one fifth. They are all Labour policies that deliver real help to people in Wales. Wales faces a stark choice between securing the economic recovery or wrecking it; building a fair society where everyone prospers or a divided society that favours a few; and protecting front-line services or a programme of savage cuts. That is the choice that people will face in a few weeks' time.

Our actions will not be painless, but nor will they be reckless. The recovery is coming now because of the action that this Government have taken. However, the recovery in Wales is still fragile, and Tory policies threaten it. Only Labour can secure the jobs and mortgages of people in Wales; the Tories would be a change that we in Wales cannot afford. The red team may be the underdogs, but the blue team are crumbling under pressure, and momentum is as important in rugby as it is in politics. We will keep going to the final whistle on polling day in order to save Wales from the disaster of a Tory Government.

1.26 pm

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): May I begin by paying tribute to our Welsh servicemen and women, who so bravely put their lives on the line for our country? I pay particular tribute to the Royal Welch Fusiliers, currently serving in Afghanistan; to the Welsh Guards, who have recently returned; and to all those Welshmen and women who are serving or have served in other regiments or services. All hon. Members know that we owe them an enormous debt of gratitude, and it is right that we begin this St. David's day debate by remembering them.

This is the last St. David's day debate before the general election, as the Secretary of State made perfectly obvious, so may I take this opportunity to pay tribute, first, to the right hon. Member for Torfaen (Mr. Murphy), whom I had the pleasure of facing in this debate last year? I always found him to be most courteous in my dealings with him, and I am glad that he is offering himself up for re-election. I also express my best wishes to those hon. Members who have announced their retirement from the House at the general election. I begin with the hon. Member for Carmarthen, East and Dinefwr (Adam Price), who, sadly, is leaving us to go abroad—*[Interruption.]* It could be education, education, education, but I am sure that we will welcome him back to the House at some stage.

Although we have not shared political allegiances, I have been honoured to work with the right hon. Member for Pontypridd (Dr. Howells), the hon. Members for Clwyd, South (Mr. Jones) and for Vale of Glamorgan (John Smith), the right hon. Members for Islwyn (Mr. Touhig) and for Swansea, West (Mr. Williams), the Father of the House, and the hon. Member for Conwy (Mrs. Williams).

I pay tribute also to the hard work and dedication of the hon. Member for Aberavon (Dr. Francis). He, as our Welsh Affairs Committee Chairman, has worked hard in the interests of Wales alongside dedicated Committee members and Clerks. A Committee member with whom I have been pleased to work over the past three years is my hon. Friend the Member for Clwyd, West (Mr. Jones). No constituency could have been served better by a Member, and it is a pleasure to work with him as part of the Opposition's team Wales. We both hope to be re-elected, because we have great plans for Wales, and we hope to have the opportunity to put them into effect.

Our St. David's day debate once again takes place against a backdrop of turbulent economic times. Since last year 21,000 more people are unemployed in Wales, 10,000 are economically inactive, Welsh gross value added has declined further against the UK as a whole and the wage gap between Wales and the rest of the UK continues to increase. Before Labour Members think that I am talking Wales down, may I say that it would be hard to do so more eloquently than the Secretary of State? At our most recent Wales questions he said that Wales was wealthier than Rwanda, and, if any single comment has given us an insight into the Labour Government's complacency and paucity of ambition for Wales, it was that throwaway remark.

No, we will not talk Wales down. However, as we enter the run-up to the general election—this time, one that not even the Prime Minister can avoid—we need to take a long, hard look at Labour's legacy in Wales following its 13 years in power, particularly as the Secretary of State is so keen to bring history into all our debates. After more than a decade in charge, there can be no more excuses. Labour's desperate attempts to blame the Tories simply do not wash any more.

Given the struggling Welsh economy, the businesses and jobs that have been lost, the industries in decline and the lives that have been ruined, and given the waste of money and opportunity and the utter lack of long-term strategy, it is clear to every voter in Wales that we cannot afford five more years of Labour.

The economy, of course, will dominate the election. So many businesses have disappeared from the Welsh scene—Burberry, Hoover, Bosch, Indesit and David McLean, to name but a few. That has left an increasing imbalance between the private and public sectors. The latest figures show that just under a quarter of people working in Wales are employed in the public sector, and it has recently been reported that since 1998, 55 per cent. of new jobs have been either in, or wholly supported by, the public sector. As I remember from a speech that he made when taking his sojourn on the Back Benches, even the Secretary of State has admitted that the private sector in Wales is too small.

Labour, of course, protests that the recession is a global phenomenon; indeed, that is the Prime Minister's favourite phrase. But there can be little doubt that when the storm hit us, we were not best placed to weather it. Of all the major economies, we were one of the first to enter recession and the last to get out, behind France, Germany and Japan—indeed, behind any G20 country that we may care to name.

It is fair to say that the Government have lost control of the country's finances. National debt currently stands at £850 billion and is set to rise to the equivalent of £23,000 for every single man, woman and child in Wales. The blame for that appalling state of affairs can be laid only at Labour's door; after all, it has been in government for 13 years. Even the Governor of the Bank of England said that we went into the downturn with levels of debt that were too high, all because the then Chancellor—now the Prime Minister—failed to put aside anything in the good years, and borrowed as if there had been no tomorrow. The Prime Minister, who said that he had abolished boom and bust, certainly abolished boom—and left us bust.

It is clear that Labour has let Wales down. Even during periods of growth, Welsh gross value added per head continued to decline against that of the UK, from 80.3 per cent. in 1997 to 74.3 per cent. in 2008, the worst performance of any UK region. Agricultural GVA has declined shockingly, by 68.1 per cent. since 1997, its contribution to the Welsh economy falling from 2.2 per cent. in '97 to less than 0.5 per cent. in 2007.

Manufacturing has stagnated under Labour. Between 1997 and 2007, its contribution to the Welsh economy tumbled from 27.6 to 17.9 per cent. Anglesey Aluminium closed while Labour dithered over energy policy, and 900 jobs have been just been lost at Bosch.

Albert Owen: There is a myth perpetuated by the Conservatives that that issue is to do uniquely with energy prices. The hon. Lady visited the Anglesey Aluminium plant. Does she not accept that the contract was being negotiated when energy prices were high? Those prices have now come down and aluminium prices have gone up. Had the company taken the bridging loan offered it by the Government, the jobs would have been sustained. Anglesey Aluminium took the commercial decision to cease production at Anglesey because it had operations overseas.

Mrs. Gillan: The hon. Gentleman fought hard for Anglesey Aluminium, but it is fair to say that the Government are the only shareholder in Wylfa, the nuclear power station. If the Government loan was not acceptable to the company, many more discussions could have been had at the time. I am so saddened by the loss of Anglesey Aluminium, particularly as I know that the materials that came out of the factory were excellent and included some of the rarer forms of ingot, including a unique ingot with a hole in the middle which could be extruded to make aluminium frames. The passing of that manufacturing is a great loss to Anglesey and the United Kingdom.

Mr. Hain: I share the hon. Lady's regret—deep regret, in my case—that Anglesey Aluminium closed. As my hon. Friend the Member for Ynys Môn (Albert Owen) knows better than anybody else, we worked tirelessly as a Government on the issue. We put a very generous offer to Rio Tinto and the other parent company in an attempt to save Anglesey Aluminium. We remain astonished that it was not accepted. I do not think anybody is suggesting that the Government did anything other than go to the furthest possible extent in trying to save the company.

Mrs. Gillan: I, too, met Rio Tinto representatives, and all I can say to the right hon. Gentleman is that there was a lot of dithering at the beginning. Perhaps the offer was too little, too late, or it was not the right offer and was too late.

Nine hundred jobs are being lost at Bosch; that closure, I gather, has been on the cards for a year or more, but I understand that it took until last month for the Labour-Plaid Welsh Assembly Government to get around to holding talks with the company's management.

After 13 years, what is Labour's legacy?

Julie Morgan (Cardiff, North) (Lab): Is the hon. Lady aware of the expansion of private companies in my constituency? Last week, I visited Pelican Healthcare Ltd and Great Bear Healthcare Ltd, manufacturers of medicinal products, on the Llanishen trading estate. A vast amount of new building is going on; they were awaiting the arrival from Italy of machinery costing

[Julie Morgan]

£1.5 million. There is also the big development at Fforest Farm and the development of GE Healthcare. The picture that she paints is not representative of what I see in my constituency.

Mrs. Gillan: I am absolutely delighted to hear that, particularly as GE Healthcare is headquartered in my constituency. I am thrilled to hear about the new jobs coming into the hon. Lady's constituency. Unlike the Secretary of State, I really am—

Albert Owen: You didn't mention the new jobs.

Mrs. Gillan: I have certainly read about them. However, I am also concerned about all those who have lost their jobs. Labour's record and legacy after 13 years in Wales is the loss of nearly 50,000 jobs since 1998. We need encouragement for the private sector and I thank the Secretary of State for joining me in supporting the proposed developments such as those at Holyhead and Fishguard, which could bring real benefits. Those ports are key employers in Anglesey and Pembrokeshire, and those developments could provide great opportunities for both areas, building on what I hope will be renewed nuclear generation at Wylfa and the big investments that we have seen in Pembrokeshire, such as the liquefied natural gas terminal.

One continuing success story in north Wales is, of course, Airbus. We are close to international women's day, which I understand the Secretary of State's Government are just about marking this year, and I particularly want to congratulate the new apprentice of the year, Beth Pickering, whom David Cameron and I met during our visit to Broughton last year. It is good to see another woman moving forward in the business world, particularly in manufacturing.

Wales, too, needs to move forward. I want businesses to grow, inward investment to increase, more people in Wales to work and our economy to be revitalised. A Conservative Government will offer the fresh approach and new direction that is needed. First, we will tackle the debt and set out clear plans to reduce the deficit. That is not an alternative to growth; it is essential to it.

Albert Owen: The hon. Lady made the important point that any future Conservative Government would help business. Is she suggesting that a Government of hers would have put in real cash to help Bosch and Anglesey Aluminium, or is she just having a go at the incumbent Governments here and in Cardiff?

Mrs. Gillan: I am not going to look backwards at hypothetical questions, because I have had to listen to nearly an hour of hypothetical rubbish from the Secretary of State. Most of the rubbish that he was spouting about what may or may not happen, and what Tory policy is, was from "Fantasy Island".

We have already outlined some of the steps we would take. We would freeze public sector pay for all but the lowest paid 1 million and cut the cost of Whitehall by a third. I see no volunteering for cutting at Whitehall from the Labour party. We would cap large public sector pensions. Yes, that would be tough, but Labour has made it tough, and someone has to take some tough decisions to regenerate our economy. We would concentrate benefits spending on the poorest and the most vulnerable, and we would tackle the jobs crisis with a comprehensive plan to help people into work.

Hand in hand with this plan are our proposals to support businesses. We would reduce the small company corporation tax rate to 20 per cent. and reduce the headline rate of corporation tax to 25 per cent., reduce the bureaucracy needed to register new companies, remove restrictions on people in social housing on starting up a business, and abolish for a year the tax on the first 10 jobs created by new businesses in the first two years of a Conservative Government.

However, if we are to build a strong and successful Welsh economy, we need not only to create an environment in which the private sector can flourish but to make improvements in the public sector.

Lembit Öpik: Earlier on, the hon. Lady said that she was against the minimum wage and in favour of a minimum income. Is that Conservative policy now?

Mrs. Gillan: If the hon. Gentleman had been paying attention, he would know that we were talking about events that happened more than 12 years ago.

We would give public sector workers the right to form employee-owned co-operatives, giving them responsibility for their own success, sharing the rewards of a more efficient public sector, and letting people take pride in the vital services they provide. That is something that the Secretary of State would not think of in a million years. The choice will be clear at the next election: five more years of Labour debt, bureaucracy and central control, or a new, energetic and revitalised agenda for our economy and for both the public and private sectors from the Conservatives.

Mr. Roger Williams: Will the hon. Lady give way?

Mrs. Gillan: I am going to make some progress.

The relationship between the Government in Whitehall and the Welsh Assembly Government is of paramount importance. Approaches in Whitehall differ from those in Cardiff, but it is crucial to the success of devolution, and to the success of Wales, that politicians understand the need to work together. As the First Minister recently acknowledged when appearing before the Select Committee on Welsh Affairs, a relationship of mutual respect and good will is absolutely essential, and that works both ways.

It was obvious to me that the Secretary of State had an enormous hole in his speech. He spent most of his time attacking the Tories, but he could not give us any meaningful information about the referendum that the hon. Member for Carmarthen, East and Dinefwr asked about. Does the Secretary of State want to intervene to tell me what his plans are for consultation and set out the timing for replying and acceding to the relevant parts of the Government of Wales Act 1998? He could then tell us the details of the consultation and when he expects to be in a position to send a response.

Mr. Hain: As I explained, I have placed the letters in the Library, and they are very clear that my officials will, under my instructions, make the necessary preparations requested by the First Minister.

Mrs. Gillan: I have read those letters, and they are pretty thin—they say absolutely nothing. I am asking for a detailed timetable for the consultation on this. Is there one?

Mr. Hain: The hon. Lady knows what the Government of Wales Act stipulates, I assume, and my officials are working towards that timetable.

Mrs. Gillan: There we have it—answer came there none.

A Conservative Secretary of State for Wales would make herself, or himself, available to answer questions in the Assembly on a regular basis, and a Conservative Prime Minister would do the same. Of course, we would also look forward to welcoming any Welsh Assembly Government Ministers here, as we have in the past, to exchange views on matters affecting Wales. Our approach recognises that the devolutionary settlement is such that Cardiff and Whitehall cannot continue to operate in silos. The scandalous waste of public money over, for example, the Red Dragon hangar shows just how Labour has failed in this regard.

The choice at the next election will be between a party whose leader respects devolution, has visited Wales innumerable times, and wants co-operation in the interests of Welsh families, Welsh jobs and Welsh businesses, and a party whose leader has hardly come to Wales at all and thought so little of the country that he gave the portfolio to the Secretary of State as his job on the side.

Wales has a distinct character and distinct needs, but it is firmly part of the United Kingdom. More than 25 per cent. of the population of the whole of Great Britain live within 50 miles of the border between England and Wales, tens of millions of tonnes of freight are transported across it each year, and thousands of people cross one way or the other for work and pleasure every day. Policies of separatism such as those of Plaid Cymru wholly fail to recognise that and would only damage Wales and its economy further—and Labour are Plaid's partners in Cardiff.

Conservatives would offer a fresh approach from a leader to whom Wales is as important as every other part of the United Kingdom and a party that will put economic recovery, job creation and people's aspirations at the top of the agenda. The choice will be clear: five more years of Gordon Brown or the change Wales needs. Let us hope that when we meet for St. David's day debates in years to come, it is not on a tide of rising unemployment, increasing state interference and bureaucracy and economic misery, but against the background of a growing Welsh economy that is stable, resilient, optimistic and successful under a Conservative Government: a strong Wales in a strong United Kingdom. Dydd Gwyl Dewi hapus for next Monday, Mr. Deputy Speaker, and diolch.

1.46 pm

Mr. Paul Murphy (Torfaen) (Lab): I have been trying to work out the first time that I spoke in a Welsh affairs debate. I think that it was 22 years ago, and obviously from the opposite side of this Chamber. I am grateful for, and echo, the comments of the hon. Member for Chesham and Amersham (Mrs. Gillan) about those colleagues of ours—Welsh Members of Parliament—who are to leave us when the election is called. They include the hon. Member for Carmarthen, East and Dinefwr (Adam Price) and some of my right hon. and hon. Friends. We will be particularly saddened by the loss of my right hon. Friends the Members for Islwyn (Mr. Touhig) and for Pontypridd (Dr. Howells), to whom this House, the Government and the people of Wales owe a great debt. I shall personally be very saddened by that.

As an aside, my hon. Friend the Member for Thurrock (Andrew Mackinlay) raised with my right hon. Friend the Secretary of State the issue of the Isle of Man. In County Cavan this week, the British-Irish Inter-Parliamentary Body met to discuss that matter, particularly with regard to the Minister for Health and Social Services in Wales. I have written to my right hon. Friend about this.

The world has, of course, changed. My own constituency has changed over the past couple of years, particularly in the past dozen to 18 months, because of the recession. I do not think that any Member of Parliament representing a Welsh constituency, or indeed a British constituency, could say otherwise. However, there is a world of difference between the arguments about why that recession has occurred. I do not believe for one second that the difficulties we face are the result of what a Labour Government have done between 1997 and now. Of course, there may be differences of view about how economic policy should have been structured, but the idea that the international and national banks did not cause the recession that we are now in will be central to the forthcoming general election. The central lie that is often told about the role of the banks needs to be addressed in the election campaign.

If I look at my constituency now, in 2010, compared with how I remember it in 1996-97, I see that it is a very different place, despite what has occurred over the past dozen to 18 months. I look, for example, at how our older people are treated compared with how they were treated in the years before 1997. I look at the ability of our older people to travel the length and breadth of Wales as a result of the Labour Welsh Assembly Government's introduction of the travelcard, which, happily, I now possess. The fact that older people are better off is just one example. There is also the winter fuel allowance and the help that the Government have brought in for those in Wales who were desperately poor. The life of a pensioner in the towns and villages in my constituency is infinitely better than it was 14 or 15 years ago.

We can also look at how our schools have flourished. It is not simply that we have more and better schools, and more teachers: our schools have grasped technology through the use of computers and the internet. My local education authority is leading the way in Wales. My right hon. Friend the Secretary of State recently went to Cwmbran and saw how the internet is used by our pupils. There has been a transformation in Welsh education.

There are more hospitals and more police than ever before. That transformation is a direct consequence of the actions of the Labour Government, the Assembly and Welsh local authorities.

Of course, there have been difficulties with jobs, but can anyone honestly say that the number of jobs that have been created over the past decade is not infinitely better than what happened the decade before that? We should bear in mind what has happened in my constituency

[Mr. Paul Murphy]

over a quarter of a century. When I came into the House in 1987, people relied for their income on the steel and coal industries—heavy industry. My constituency suffered the loss of some 10,000 to 15,000 jobs in a 10-to-15-year period, but all of them were replaced. The unemployment rate before this recession hit us was lower than since records began. Although all those jobs were lost, jobs in the retail sector and the new industries, such as technology, engineering and the food industry, all came to my constituency, and our young men and women were employed in greater numbers than ever. Had we not created those jobs and had the Conservatives been in power, this recession would have hit Wales much harder. Wales has been transformed because of Labour government, and our constituencies have been transformed. That is the message that we must put forward when we fight the election in days to come.

The other thing that my right hon. Friend the Secretary of State rightly emphasised is that the difference between this recession and the recessions we had before 1997 is that the Government, in conjunction with the Assembly Government and local authorities, have done something about it. Let me give just a few examples from my constituency. Following the Government tax deferral policy, 310 businesses in Torfaen deferred tax amounting to £6 million. The redundancy action scheme in Torfaen has helped 320 people, and seven companies that were in considerable difficulty have been helped by the ProAct scheme, which is widely admired beyond the shores of our country.

The enormous contribution that the Labour Government have made in the past decade and what is on offer from the Conservatives reflect the stark choice to which my right hon. Friend the Secretary of State referred. If we thought for one second that—even in this recession—there are not companies in our constituencies that are being imaginative, greatly innovative and aspirational, we would be wrong. I shall give just one example. LS Design in Cwmbran in my constituency is a small high-tech company that employs local people in high-quality jobs. It is very much involved with General Dynamics, which my right hon. Friend the Member for Islwyn played a great role in bringing to our south Wales valleys and his constituency. It would be significant for LS Design if my right hon. Friend the Secretary of State for Wales could tell my right hon. Friend the Defence Secretary of the importance—in terms not only of the defence of our nation, but of the defence of jobs in Wales—of the future rapid effect system programme. LS Design is linked to General Dynamics. Were the FRES programme to be awarded to the latter, as I hope it will be, the former company's picture would be much brighter. I understand that it could employ double the number of people it currently employs, because it would have doubled the turnover. That is one example of how we can ensure that investment comes to companies in our Welsh constituencies.

If the FRES programme goes ahead, there will be a significant impact in that it will ensure that our troops in Afghanistan will be better protected than they are at the moment. In that regard, I should like to mention Trooper James Prosser of The Royal Welsh Regiment, who was killed in Afghanistan last year. His mother, Sarah Adams, has been a doughty champion and fighter for the rights of our troops there, particularly Welsh troops. I am glad that the hon. Member for Chesham and Amersham referred to the fact that our Welsh troops in Afghanistan are fighting hard. They deserve the support they get from both sides of the House.

Before I conclude, I should like to speak about the M4. The M4 is the lifeline of south Wales and in many respects, the south of England. In the past dozen or more years, we have spent a great deal of money on our transport systems and infrastructure in Wales and England. However, post-devolution, I sometimes doubt the wisdom of the co-ordination between the UK Department for Transport and the Welsh Department for the Economy and Transport when it comes to dealing with our motorways.

To certain extent, it could be argued that the M4 has ceased to be a motorway, because at least 20 miles of it—a very important stretch and an economic lifeline for south Wales—between Newport and London is now subject to major roadworks and 50 mph limits. Indeed, the whole motorway structure of our first city, Cardiff, and of Newport, is now almost under construction. I wonder about the co-ordination between the UK Government and the Welsh Assembly Government on that. Travel is costly to business and difficult for the economy in these times. It now takes me at least an hour longer to drive to London than it did 21 years ago. It is very important that my right hon. Friend the Secretary of State liaises with the Secretary of State for Transport to see what can be done.

Lembit Öpik: The right hon. Gentleman will be aware that we have not so much as a dual carriageway in Montgomeryshire at the moment, and that the problems are compounded by the apparent obsession with 50 mph speed limits in open areas. Does he agree that when the Secretary of State for Wales considers the issue of the M4, it might be useful if we can finally have a more strategic approach to connecting north, south and mid-Wales by road? That is decades overdue.

Mr. Murphy: That is a very important aspiration. However, given that the great bulk of the population of south Wales is affected by those restrictions, there is a greater impact on local commerce and business. That point needs to be addressed.

That was a minor gripe compared with the benefits that the people whom I represent—who I hope will re-elect me—have accrued as a consequence of having a compassionate and caring Government for the past 12 years. I believe that the only answer to the economic ills caused by the banking recession is investment and renewal. Given that the Conservatives are promising an age of austerity, such investment and renewal is conceivable only with the election of the Labour Government who work with a Labour-led Assembly.

1.59 pm

Mr. Roger Williams (Brecon and Radnorshire) (LD): As always, it is a pleasure and a privilege to follow the right hon. Member for Torfaen (Mr. Murphy), to whom I pay tribute for the friendliness and support he offered in his two tenures as Secretary of State for Wales. He visited my constituency at the depth of the current recession to meet small business owners who were struggling and gave them assistance and encouragement.

I am pleased to say that all the small businesses that attended that meeting are still in business, which is a tribute not only to the people who run those businesses and those who work in them, but to the support that they received. One of those businesses is struggling at the moment, but its customers are very keen that it continues to operate, and we are hopeful that that will be the case.

It is a pleasure to speak in this St. David's day debate. As it is the last one before the general election, I pay tribute to all right hon. and hon. Members from Wales. I have been able to agree with some of them—but not others—from time to time, but I know that all their energies and enthusiasm are directed towards the well-being of Wales. I thank them, because we are able to get together and share solutions, and shared solutions are the best way to make progress.

I also thank the shadow Secretary of State for her tribute to the young Welsh men and women who have served in our forces abroad, not only in the Welsh regiments and the Welsh Guards, but in the special forces—especially those from my constituency—who are sometimes forgotten because of the difficult nature of the work that they undertake. Despite my constituency being land-locked, some young people have also served in the Marines in Afghanistan and Iraq.

This is probably the last occasion before the election on which we will concentrate on Welsh affairs, other than Welsh questions, which I anticipate will take place before then, although we cannot be entirely sure of that. Although I generally enjoy contributions from the Secretary of State and his shadow, I thought that today they gave rather dispiriting performances which showed that a general election is probably overdue. The arguments have been made so many times, and as I go around my constituency and the rest of Wales, I get the impression that people have made their minds up and want a general election as soon as possible. A new mandate is needed to rejuvenate and freshen this place. I shall talk about several disappointments, not to try to cast blame or aspersions, but in the hope that when we have a new Parliament and Government some of these issues will be revisited and a better conclusion will be reached for the people of Wales.

In the past, the Barnett formula was considered boring and of little importance, but it is now becoming a much more important political consideration. However, after 13 years of Labour Government in Westminster and almost 11 in Cardiff, the Welsh population are really struggling for finance to address the needs of the nation. The concept of the Barnett squeeze is well understood now, and although I appreciate that it will probably be of less importance given the likelihood of lower public expenditure, that is no reason to leave it unaddressed. When I look at statistics on health needs in Wales, it is clear that a formula that is based on population and not on need is unfair not only to Wales but to other regions across the UK. The case that I make for a reform of the Barnett formula is not a selfish one on behalf of Wales, but for the whole of the UK and the needs of the people.

I am concerned, for instance, that the figures appear to show that spending on education in Wales is £500 less per pupil than in England. The figures for educational attainment in Wales are not very encouraging and can be put down to the lower investment in Wales than in England.

I am sure that we all welcome the unanimous vote in the Welsh Assembly on the referendum on additional powers. I ask the Secretary of State to ensure that the necessary steps are taken to set a date for that referendum before the dissolution of Parliament. I listened to the Conservative point of view on this matter, but it was not clear whether that procedure would be put in place under a Conservative Government. We did not hear any confirmation, but it is strange that the Conservatives in Westminster and in the Assembly oppose the housing legislative competence order, given that they voted unanimously in favour of the referendum. The leader of the Conservative group in the Welsh Assembly is not the leader of the Welsh Conservatives, who is in favour of a transfer of further powers, including powers over housing. It seems hardly logical to oppose the transfer of powers through the LCO, but to support the transfer of powers as a whole through the referendum.

Mr. David Jones (Clwyd, West) (Con): Is the hon. Gentleman aware that the opposition of the Conservatives on the Select Committee was founded on evidence, which both the Under-Secretary and the Welsh deputy Housing Minister confirmed, that there is no policy objective to abolish the right to buy. That being the case, it was wholly illogical to apply for powers that include the power to abolish the right to buy.

Mr. Williams: That is a strange and illogical argument, because if powers were transferred to the Welsh Assembly, they would include the powers that the hon. Gentleman mentions.

Mr. Hain: I am sure that the hon. Gentleman will agree that any proper reading of the legislative competence order shows that it would transfer powers to the Welsh Assembly Government to undertake the huge task of improving the range of affordable and available housing in Wales and dealing with homelessness. That is why it has the support of Shelter Cymru and other organisations. There is no abolition of the right to buy. There is the option of a mechanism to address the lack of affordable rural housing, but it would be used in very restricted circumstances in rural areas such as Pembrokeshire and Gwynedd. But the fundamental question is why the Conservatives are opposing powers being taken by the Assembly in an area—housing—where it already has responsibility, but wants a little more flexibility to be able to carry out the tasks before it.

Mr. Williams: I agree with the Secretary of State—

Mrs. Gillan: Read the Select Committee evidence.

Mr. Williams: I will read it, but it is incredible to me—when I became a Member of Parliament in 2001, I did not think that housing would be an especially big issue in my area—that almost a third of the people who come to my surgeries do so because they have housing difficulties. If the Welsh Assembly had more powers to address those issues in my constituency—and others—it would be very welcome.

Lembit Öpik: I agree with my hon. Friend whose constituency is very similar to mine in geography and social profile. Does he agree that we in Powys really need these powers to be devolved? If the Conservatives carry out their threat to try to resist that, it will run counter to everything that he and I have been trying to do to address social housing problems and homelessness in our constituencies.

Mr. Williams: My hon. Friend makes a very good point—it is the point that I am trying to make—but there is also a point about how illogical it is to try to obstruct this progress when it seems that most parties in Wales would like further powers, which would include those powers anyway.

Mr. Hain: I am grateful to the hon. Gentleman for giving way again; he is being generous. It would be interesting to hear from the Conservatives, on the record, whether they will veto the housing legislative competence order in the wash-up negotiations, because they have the power to do that—*[Interruption.]* Yes, says the hon. Member for Clwyd, West (Mr. Jones). I think that I heard a mutter from a sedentary position.

Mr. David Jones *indicated assent.*

Mr. Hain: Yes, he says! Well, that is very serious. It shows the Conservative's intolerance of devolution and of dealing with vital housing needs and shortages in Wales.

Mr. Williams: From the Liberal Democrat Benches, I certainly cannot answer on behalf of the Conservative party—we will see what happens in the wash-up, which will be viewed with great interest by Members of the House and people living in Wales.

Employment rates in Wales are the third issue that I want to touch on. We have argued about whether 8.7 per cent. unemployment is high, higher or whatever, but my point is that an unemployed person is 100 per cent. unemployed. Sometimes, when we talk about statistics, we tend not to address the individual circumstances that desperately affect people's lives. Anything that we and the Government can do to improve employment is obviously hugely important. Yet we have had enormous closures, sometimes in traditional industries, such as the steel industry in Wales, and the signs for employment and manufacturing in Wales—I have seen figures on manufacturing employment in Wales—are not encouraging.

On some of the rural issues, we have campaigned long and hard for a rural fuel duty rebate. That has been taken up by other countries in the European Union, and it is within the Government's competence and power to address. Indeed, Italy, France and Greece have gone down that route. We recently had a debate on that issue in Westminster Hall, which was led more by Scottish Members than by Welsh Members, but it is an issue about which both areas feel strongly, and anything that the Secretary of State or Minister can do to intervene with the Treasury would be well supported.

In general, rural areas experience reductions in services from, for instance, post offices. There are now fewer than 1,000 post offices in Wales, which I think is a fairly iconic number, and more than 300 have closed recently. At the moment, I am trying to find a way to keep a post office open in Abercraf, in my constituency—I am working with the miners' welfare hall, so that we can move it there. We desperately need flexibility within the Post Office to ensure that those novel and innovative solutions can be achieved.

To return to housing, it is not surprising that there is a rural exodus among the Welsh youth, given that housing prices are so high. As a result of young people leaving villages, schools, doctors' surgeries and other essential services are closing. It is a Catch-22 situation.

The Liberal Democrats look forward to the taxation system being reformed to make it much more progressive and less regressive. I am sure that many hon. Members are dealing with individuals who are trying to get back into employment but who are finding that the loss of benefits and the kicking-in of income tax at very low rates preclude some of them from re-entering employment, because they would be financially worse off as a result. Our party's proposals for a personal allowance of £10,000 and taxing people who claim their income in terms of capital gains would be a way towards a progressive taxation system.

Rural broadband provision is another area in which Wales lags behind the rest of the UK, and certainly many businesses in my constituency, and across vast swathes of Wales, are single-person operations requiring access to modern communications and technology.

I shall turn quickly to agriculture. The Government's agreement to set up an ombudsman—it has the support of other parties, too—is a huge step forward for an agricultural industry that has been hampered by being uncompetitive when supplying the main supermarkets. I am pleased that the hon. Member for Ynys Môn (Albert Owen) will soon be taking forward his private Member's Bill, and I hope to be there to support him. I also hope that the Government can find a way to support it and to work with him to bring a really effective ombudsman and regulatory system to an area that has been difficult in the past.

Finally, I turn to a personal, constituency issue. Daniel Morgan was murdered in London nearly 23 years ago; he was found with an axe in his head in a pub car park. His mother lives in my constituency. When Daniel was murdered, she was rung at 4 o'clock in the morning and told that her son was dead, but the policeperson making the phone call was unable to give any other details, except to say that she would have to come to London to find them out. That was at 4 o'clock in the morning. She was living on her own and did not know how to get to London. I am pleased to say that she and her other son, Alistair, have ensured that Daniel's case has never stopped being looked at, and I, and my predecessor, Richard Livsey, have been taking it forward for 15 years or more.

Four people are now in custody, awaiting trial for Daniel Morgan's murder, and we look forward to Mrs. Hullsman, his mother, having at least some sense of closure and justice. However, the sad thing is that Mrs. Hullsman, who is now over 80—she was 59 when she heard that her son had been murdered—thought that the trial was going to take place last September, but it is now going to take place this September. The delay and agony caused to the family by that delay has been horrific, and if something can be done to speed up the judicial system, so that closure can be given to the family, it would be fantastic. Mrs. Hullsman, her son Alistair and I will keep campaigning for that, because it is an injustice that should be put right.

Mr. Deputy Speaker, we are coming to the end of a Parliament. It has not been a happy occasion for Parliament as a whole, but I look forward to a new Parliament that will be reinvigorated and that will work for the interests of Wales.

2.18 pm

Ann Clwyd (Cynon Valley) (Lab): I am afraid that daffodils are in short supply at the moment. Very few of us have been able to get the real thing, but some of us have made an attempt and compromised, with at least a flash of yellow on our coats. *[Interruption.]* The hon. Member for Chesham and Amersham (Mrs. Gillan) must have a good arrangement with the flower lady in the House of Commons then. Things are a bit difficult, but I hope that in future we will see large bunches of daffodils brought in for this debate for Dydd Gwyl Dewi Sant, or St. David's day. I would also like it to be held on 1 March, but we never seem to manage that.

I would like to reiterate what my right hon. Friend the Member for Torfaen (Mr. Murphy) said in his speech about how Wales has improved over the years, particularly under a Labour Government. I first became an elected Member in 1979, when the hon. Member for Brecon and Radnorshire (Mr. Williams) was in Brecon and Radnorshire, which was in my European constituency. I hope that I do not embarrass him, but I was very grateful for his help at that time. We remain good friends, even though we are on opposite sides of the Chamber, and I hope that he might help me in other campaigns some time in the future.

When I was first elected, as a Euro MP, there were big job changes in steel and coal. I remember the devastating effect of that, with Llanelli and Swansea being in my European constituency. I was continually taking groups of steel workers threatened by closure—something that ultimately became a fact—to protest in Brussels. I also remember the Social Affairs and Employment Commissioner being aghast that the UK did not seem to have a social policy to cushion the effects of unemployment, which was gradually growing in the steel industry. Almost every other country in the European Community at that time had a social policy. We did not, and we were strongly criticised for that by the Commissioner at the time. In fact, when 5,000 comparable steel workers in Germany lost their jobs in the Ruhr, almost every one had another job to go to. Unfortunately, that was not the case in Wales, or indeed in the rest of the UK. Fortunately, attitudes are now very different.

I was then elected to this place in 1984, in the middle of the miners' strike, in a by-election. That was a time when we did not have to knock on doors, as all the people we wanted to canvass were sitting outside their doors, because they were not at work. The effects of the miners' strike and the lack of either a social policy or any compassion towards those miners, who were fighting for their jobs, were evident. I took a Conservative colleague to my constituency, at his request, to see the effects of the miners' strike on the people of the Cynon Valley. He came away shocked, and I remember clearly what he said: "People look different. They look ill. That is not what the kind of conservatism that I understand should be all about."

David T. C. Davies (Monmouth) (Con): The right hon. Lady is making some interesting comments, but does she not also accept that the strike was called without proper consultation of National Union of Mineworkers members—had they been properly consulted, it is likely that they would have voted against it—and that that is what caused a lot of the damage?

Ann Clwyd: The leaders of the miners' strike at that time predicted that the coal mines were going to shut. They were fighting for their very existence. It was important that they engaged in that fight and drew attention to the fact that those jobs were going to go. The hon. Gentleman knows as well as I do that the Prime Minister at the time—the leader of his party—was hellbent on bringing the miners' union down, by whatever means, and the miners knew it too. There were criticisms to be made of those leading the miners' strike, and they were indeed criticised subsequently. Nevertheless, they were right in their interpretation of what was going to happen to their industry.

David T. C. Davies *rose—*

Ann Clwyd: No, let me continue. I saw the effect of being out of work on those people in the Cynon Valley. It was an effect that lasted for many years afterwards, because they had to borrow money to pay mortgages and to live. There were also soup kitchens, which I and several of my colleagues here in the Chamber were involved in, just to try to feed people who could no longer afford to feed their families.

People who have lived through that kind of situation realise that much more compassion is now shown towards people who are unemployed, or who might become unemployed, and that cushions are in place to assist them. It is therefore not surprising that people like me, who have lived through those years, feel that a Labour Government have done much better by my constituents than the previous Tory Government did. I was in opposition for 18 years, as a Euro MP and, later, when I came here, so I know the difference. I am sure that most of my constituents still appreciate that difference as well.

Another thing that has happened in the valleys is that the environment has changed, partly because some of the older industries have gone but also because of the greater appreciation of the need for a good environment. The Phurnacite plant was in my constituency when I was first elected, for example. It had seven large chimneys that spewed smoke of different colours into the air. The health of the people living in the area and of those working in the plant was affected by that. Indeed, a test case is going through at the moment involving people who worked at the Phurnacite plant at Abercwmboi. The environment has now changed beyond recognition, making it a much more pleasant place to live. I am grateful to our Government for making that possible and for concentrating a great many resources on improving the environment for the people there.

There are many other things that I would like to talk about. The position of women has also changed in Wales. There are far more women in Parliament now, certainly on this side of the House. I hope that there will be more women on both sides after the next election. It has been a long, hard battle for women, as I know full well, and I was pleased when more women came from Wales to join me here. I hope that the number of women MPs from Wales will continue to grow after the election. I should like to pay tribute to my colleagues who are

[Ann Clwyd]

retiring at the election. I thank them for their friendship and for all that they have given to the House while they have been here. I will not name them individually, but they know who I mean.

I want to pick up on some of the points raised by the Secretary of State for Wales earlier. I have already mentioned the Robin Hood tax. The people of my constituency feel strongly about a number of issues at the moment. There is still anger about the role of the banks in the financial crisis, and about the unacceptable levels of pay. The recession that we have been through—and that I hope we have now seen the back of—has affected people's jobs and mortgages, and in all sorts of other ways.

The recession was caused—or at least made worse—in part by the global financial crisis. I believe that that was caused by the irresponsible practices of global banks and financial institutions, and by economies relying too much on that financial sector. As my right hon. Friend the Secretary of State said, people understand that the collapse of the whole banking sector would have been disastrous for the economy, and that the Government were right to bail out the banks to prevent that from happening. That much they go along with.

Mr. David Jones: Will the right hon. Lady give way?

Ann Clwyd: Let me just finish my argument, please. Then I will happily give way.

What most people think, and what common sense tells us, is that, after all that taxpayers' money had been used to prop up the banks, the deal was that the banks would look again at how they did things, and that they would start to behave more responsibly. As the Secretary of State said, people do not understand how the Royal Bank of Scotland—the majority of which is owned by the taxpayer—can make a loss, as announced today, and at the same time argue with a straight face that it needs to pay substantial bonuses. Last year, I introduced my own Bankers' Pensions (Limits) Bill, which would have addressed the absurd pension packages being awarded to failed bank executives. Therefore, I very much welcome the one-off bankers bonus tax introduced by the Government. Even better than a one-off tax would be a tax on every year's bonus round.

We should go further still. I fully support the idea of a Robin Hood tax on global financial transactions, which could be used to address the causes of global poverty, to fund some of our own public services, or just to underwrite the financial system so that it is in a position to bail itself out in future. That is one of a number of measures that could inject a little more responsibility into the financial system. I am pleased that the Prime Minister has said that he supports the idea, as long as he gets global support for it, and I hope it will become a reality.

Mr. Jones: The right hon. Lady mentions the failure of the banks. Does she share the view of the Governor of the Bank of England that had the regulatory regime that was in place not been in place, and had there been an overarching responsibility on the part of one regulator, the failures of the banks would have been nipped in the bud? On bank bonuses, is she aware that in the case of the Royal Bank of Scotland, they are to be confined to employees earning less than £39,000 a year, and that the Prime Minister has indicated through his spokesman today that those bonuses are in line with what he approves of?

Ann Clwyd: I find it quite amusing to be lectured on regulation by a party that has constantly argued against regulation and in favour of deregulation. I cannot take the hon. Gentleman seriously when he makes such a point. Instead of making personal points to the Prime Minister, why does he not talk about the economy to the Prime Minister when he next has the opportunity?

Hywel Williams: I was wondering whether the right hon. Lady would refer to the fact that the UK economy is overly dependent on the financial sector, as she pointed out earlier. However, it was her Government who were in charge at the time when manufacturing in Wales was completely decimated and the over-emphasis on the financial sector came about.

Ann Clwyd: I had finished my argument on that point and did not expect to expand on it further. I just make the point that I am in favour of a Robin Hood tax, and I would like to hear a response from the Opposition on that.

Lembit Öpik: Does the right hon. Lady share with me a sense of wonderment at the cheek of the Conservative party for criticising the current regulatory system, which, to some extent, allowed the banking collapse, given that the Conservative Government created that very system?

Ann Clwyd: I thank the hon. Gentleman for making that point. In my original answer, I said that I could not take seriously arguments on regulation or deregulation from the Conservative party.

Hywel Williams: The right hon. Lady asked for a response on what is now called the Robin Hood tax. That has been a policy of my party for many years, and I am glad to see other parties coming on board.

Ann Clwyd: At least we have support from one section of the Opposition.

We should also explore the idea of a high pay commission, which could be modelled on the Low Pay Commission. It would look at the effects of very high pay—people earning millions of pounds in salaries and bonuses—on the economy and wider society. Very large inequalities in pay, and people earning very high pay, distort the economy and are bad for the well-being of society. The Government needed to be there to prevent the collapse of the banks and its impact on the economy, but they also need to be there to support people when they are struggling and require help. The Tories simply do not understand that. I was here in the 1980s and '90s and remember their attitude towards people then.

As my right hon. Friend the Secretary of State observed, for the Tories unemployment was a price worth paying, despite its devastating consequences for individuals and communities. I do not believe that their attitudes have changed at all since then. I think that when the Tories talk about cutting state involvement in people's lives, they mean cutting support for people. I think that the

difference between a Labour and a Tory Government—which is becoming all too apparent—is that Labour understands that when people are struggling they look to the Government for support, and understands that Governments can be a force for good.

In my constituency, 8,200 families are receiving child or working tax credit. In April, a £65 increase in the child element of child tax credit will benefit more than 200,000 families in Wales. More than 4,000 pensioner households in Cynon Valley receive pension credit. There are also winter fuel payments of £250 for the over-60s and £400 for the over-80s, along with, this winter, cold weather payments of £25 a week.

More people have kept their jobs and more businesses have kept going because of the action taken by the Labour Government throughout the recession. The rate of job losses during this recession has been four times lower than it was in the 1990s. In Cynon Valley, the new deal job schemes have created 3,390 jobs since 1997. Other schemes, such as the future jobs fund, are helping people into jobs rather than throwing them on the scrapheap as the Tories did. Labour is supporting young people by guaranteeing an education or training place for those aged up to 18, and a job or training place for 18 to 24-year-olds who have been out of work for six months

On Monday, along with my hon. Friend the Under-Secretary of State, I shall visit the Cynon Valley whisky-producing factory in Penderyn. I shall then attend a "topping-out" ceremony for the new Cynon Valley neighbourhood hospital, which is due to open in April 2011.

All that represents a Labour Government at Westminster, a Labour-led Government in Wales, and a Labour council in Rhondda Cynon Taf delivering real public service improvements.

2.37 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): It is a pleasure to follow the right hon. Member for Cynon Valley (Ann Clwyd). She is a powerful voice for Cynon Valley, and also a persistent and tireless champion of the rights of women and other oppressed groups living under authoritarian Governments and dictators in different parts of the world. She has won my respect and admiration for both those aspects of her work.

So far, this St David's day debate has largely followed the pattern of previous such debates, and, indeed, our debates in the Welsh Grand Committee. The Secretary of State always leads with a highly combative and partisan speech, engaging in heavy historical revisionism and distorting the Opposition parties' track records and policies. Members of his party then take up the theme, and usually end up looking back to the 1980s and 1990s and comparing the record of previous Conservative Governments with what they consider to be that of the current Government.

I would caution against that, and I intend to use the next few minutes to inject some corrective content into the discussion. First, however, I wish to join other hon. Members in paying tribute to all the Welsh servicemen and servicewomen who are serving in Afghanistan. During the recent recess, my constituents learned that Lance Sergeant David Greenhalgh, of north Pembrokeshire, had been the latest Welsh soldier to be killed in action in Afghanistan. He was killed on Saturday 13 February in Lashkar Gah, aged 25. He was an outstanding young man, and he will be remembered with the deepest honour and respect. I think all hon. Members will agree that the young Welsh men and women out there represent some of the finest role models for all Welsh people at this time.

The context and backdrop for this year's St. David's day debate is, of course, the crisis in our public finances. I should emphasise the word "crisis" because nothing the Secretary of State had to say on the matter got close to recognising honestly the challenge this country is facing, with the disaster that has been visited on our fiscal affairs and the state of the public finances. The projected deficit is a truly enormous £178 billion. That is an unprecedented sum: the country has not had a deficit like it before. Frankly, for the Secretary of State to try to reassure us that somehow under a Labour Government it can be halved or eliminated within four years, without giving any real idea of how they will do that, does not cut it. The truth is that within two years the interest we will be paying on our national debt will be approaching £60 billion a year, which is more than the Ministry of Defence and education budgets combined. We will be spending more on servicing our debt than on educating our children and young people, and on defending our borders.

Mrs. Gillan: I wonder whether my hon. Friend has had an opportunity yet to read the text of the excellent lecture given last night by the shadow Chancellor, my hon. Friend the Member for Tatton (Mr. Osborne). It contained some fairly grim analysis, including the fact that if the off-balance-sheet liabilities such as public sector pensions are included, we are well on the way to having a level of debt amounting to more than 90 per cent. of GDP, and that the interest payments on that debt could rise above 10 per cent. of GDP within 10 years, and to almost 30 per cent. in 30 years. Does my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) agree that those predictions—which are made by some very eminent people who understand economics possibly better than we do—are alarming?

Mr. Crabb: I am very alarmed at those statistics; in fact, I find them horrifying. The true state of the public finances is appalling. Who will pay for this? Frankly, it will not be our generation; instead, it will be the nation's young people, and the children after them. Indeed, I think that one reason why there has been such a tone of complacency about our public finances this afternoon is that it is not the generations represented in this Chamber today who will end up picking up the bill.

Young people are among the biggest victims of the current recession. We need only consider the increase in youth unemployment in the past two years to realise that. They are victims of this recession not only because of unemployment, however; they are victims of an unsustainable and irresponsible increase in public spending that has brought us to this position, because the truth is that, contrary to what the Secretary of State tried to make us believe, the massive deficit we are facing is not just a result of the banking crisis. There was a large, growing and unsustainable structural deficit in the public finances even before the bank bail-out, and that did not get addressed. Young people will end up paying for this.

Two weeks ago, I spoke to a year 12 group at Ysgol Bro Gwaun in Fishguard as part of its Welsh baccalaureate studies. The students told me that in a previous class they had been addressed by a speaker from Swansea

[Mr. Crabb]

university, who had given them a very sobering message indeed about how tough things will be, particularly this year and next year, for young people wanting to go to university, because of the cuts that have been visited on the higher education budget. The truth is that Welsh young people will have to fight harder than before; they will have to achieve higher grades than ever before to win places at university. Many hundreds, or thousands, of Welsh prospective students will find out later this year that they cannot pursue their desired course at university or that they have not got a place at a college or university of their choice. Many will instead find themselves adding to the youth unemployment statistics. The truth is that the higher education budget has been singled out for a massive cut already. The Secretary of State did not elaborate on that, but he is a member of the Government and Cabinet that made that decision three weeks ago. Almost £1 billion will be cut from the English higher education budget over the next three years, and that will have a direct impact on Welsh prospective students.

Mark Williams (Ceredigion) (LD): I wish to reinforce that point. The knock-on effect to which the hon. Gentleman refers means that the Institute of Biological, Environmental and Rural Sciences, which is a part of Aberystwyth university, is having to comprehend the prospect of up to 70 job losses. That is a tragedy for not only the young people, but the associated local economy. This is a very serious issue.

Mr. Crabb: The hon. Gentleman makes an important point, as ever. This Government are desperate to cling on to this bogus narrative that a re-elected Labour Government would mean continued spending and investment and that a Tory Government would mean savage and irresponsible cuts. That narrative is just not credible for two reasons. The first is that every serious commentator and analyst who examines the state of the public finances knows that cuts across the board will need to be made in the next few years—those cuts will be very severe for some Departments and will have a direct knock-on effect in Wales.

I shall now speak slightly parochially as the Member for Preseli Pembrokeshire, because the second reason why this message from the Government is not credible is because constituencies such as mine in rural west Wales have been living with Labour's cuts for the past 10 years. We know what cuts look like because we have been living with public service cuts.

Albert Owen *indicated dissent.*

Mr. Crabb: Perhaps the hon. Gentleman's constituency is the only one in Wales that has been immune from the near total decimation of NHS dentistry that Wales has seen under a Labour Government. This Labour Government have destroyed NHS dentistry in rural Wales. More than 4,500 people in Pembrokeshire are waiting for an NHS dentist, and some of them have been waiting for three or four years.

The Labour Government have cut the rural post office network to ribbons in the past few years. Rural villages throughout west and north Wales have lost amenities and that has had a massive impact, particularly on the elderly who live in these communities. The near total decimation of the rural tax office network in Wales has happened under this Labour Government. We have lost Her Majesty's Revenue and Customs office in Haverfordwest and, indeed, most tax offices in rural west and north Wales.

Mrs. Gillan: I remember visiting local employees of HMRC with my hon. Friend several years ago and complaining about those closures, because they have affected not only the people who used to work in those offices, but people who are desperately trying to pay their taxes. We should not underestimate the amount of pain that has been caused and we must remember that this was happening during the so-called good times under this Government.

Mr. Crabb: My hon. Friend makes an important point. The great paradox that people in my constituency do not understand is why, when public spending was being ramped up so rapidly, they did not see the benefit of it and instead saw cuts to important local services. If Labour wishes to bring its election campaign to west Wales to argue that a Labour Government would mean continued spending and a Tory Government would mean cuts, it will not get far with the people of Pembrokeshire. I say with no disrespect to the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) that Labour faces the prospect of not having a Member west of Swansea after this coming election, because of what it has done to rural west Wales.

I conclude by making a few remarks about transport ipfrastructure. I have spoken before about the inadequate state of the road network connecting west Wales to the rest of the United Kingdom. The A40, which is the principal route running east-west through my constituency, forms part of the strategic European road network linking the west coast of Ireland with continental Europe, yet the people who use that road and make the long journeys—I am thinking of the lorry drivers to whom I have spoken—say that the very worst section of that continental route is the bit through Pembrokeshire. It is a single carriageway, it is overused and it is dangerous.

Pembrokeshire contains a quarter of the UK's remaining oil refineries, the liquefied natural gas plants that will provide up to 20 per cent. of the UK's gas supply, and two major ferry terminals, yet this pathetic single carriageway A40 goes through it. Labour in Westminster and Labour in the Assembly has been completely resistant to any argument put to it by the business community, Assembly Members, MPs or local authorities for improving, upgrading and dualling that section of road. I am sick and tired of seeing Labour Ministers make the journey down to my constituency to have their photographs taken at the new LNG sites, the oil refineries and the other developments in my constituency, and to praise those developments, given that they will not listen to the views of the management of these companies—the foreign investors who have pumped money into these projects—who say, "For goodness' sake, why can't we improve the transport infrastructure?" Part of the reason why is that as we now have the Welsh Assembly, a Cardiff-centric body is making the decisions about transport spending. Pembrokeshire and other parts of west Wales are a blind spot for the Welsh Assembly.

Mr. Hain: As it happens, I agree that the A40 should be upgraded. I argued that as a Welsh Transport Minister and I hope that it will be addressed when resources

allow, although for the life of me I cannot understand how the hon. Gentleman can think that under a Conservative Government the Welsh Assembly Government will have the resources necessary to upgrade roads, let alone those to west Wales. Since he paints such a dismal picture of life in Pembrokeshire, may I ask him why long-term unemployment in Preseli and south Pembrokeshire is 82 per cent. lower than it was when Labour came into power and why long-term youth unemployment is 67 per cent. lower? That is a sign of success, not dismal misery.

Mr. Crabb: I do not paint any dismal picture of life in Pembrokeshire. Pembrokeshire remains the best place in Britain to live and grow up—

Mr. Hain: Because of the Labour Government.

Mr. Crabb: It always has been. We have spoken before about the unemployment figures, and I welcome the drop in unemployment in my constituency. I grew up at a time when unemployment was a lot higher than it is now. I am the first to put my hand up and welcome the fall in unemployment, largely on the back of some big investments from the private sector. Let me make the point again. These people who are pumping the money in are American, Malaysian and French; they come from all over the world because they recognise the strategic importance of Milford Haven as an energy hub. They all say to me and to the chief executive of my local authority that we need better transport infrastructure. That is the message I want to leave with the Government, but I fear that we will need a change of Government to get any serious movement on the issue.

2.51 pm

Mr. Don Touhig (Islwyn) (Lab/Co-op): I am probably the only Member on the Government Benches seeking to catch your eye, Madam Deputy Speaker, in today's debate who, by deliberate decision, will be retiring at the coming general election and who will not be here at the next St. David's day debate. At the outset, may I thank my right hon. Friend the Member for Torfaen (Mr. Murphy), the hon. Member for Brecon and Radnorshire (Mr. Williams), the shadow Secretary of State and my right hon. Friend the Member for Cynon Valley (Ann Clwyd) for the kind things that they have all said about those of us who will be retirees at the next general election? I pay tribute to my right hon. Friend the Member for Pontypridd (Dr. Howells) and my hon. Friends the Members for Conwy (Mrs. Williams), for Vale of Glamorgan (John Smith) and for Clwyd, South (Mr. Jones). They have all made a considerable contribution to this House in the time that they have been here. I pay tribute, too, to the hon. Member for Carmarthen, East and Dinefwr (Adam Price). He and I have clashed many a time over the years but I have no doubt about his passion for, and commitment to, making good the lives of the people of Wales.

Mr. Hain: I join my right hon. Friend in paying tribute to all our colleagues who are retiring, but may I pay particular tribute to him? He was a terrific Wales Office Minister serving my right hon. Friend the Member for Torfaen (Mr. Murphy) and serving me, and he has served this House for 15 years. I fought with him in his by-election—I was his minder. The fact that he is standing down represents a real loss to this House and to Wales and I wish him all the best in the future.

Mr. Touhig: I thank my right hon. Friend. When I came and stood at the Bar of the House he stood on one side and my right hon. Friend the Member for Torfaen stood on the other—I had the two apostles, Peter and Paul. When I got to the Table of the House, they abandoned me and I was left on my own after that. I thank them anyway.

The first time I spoke in this Chamber was on 2 March 1995. I had been elected to Parliament on 16 February in a by-election and I took the opportunity of the annual St. David's day debate to make my maiden speech. I spoke then from the Opposition Benches and I remember laying into the appalling record of a discredited Tory Government who were systematically destroying and tearing apart society in Wales. With the passage of time, it is easy to forget the state of the country as we inherited it when we came into government in 1997. When I spoke 15 years ago, schools were struggling to deliver education with budgets that had been squeezed by Tory Government cuts. As for our health service, a hospital serving my constituency appealed to the public not to come to the casualty unit because there were not enough doctors to deal with emergency cases.

David T. C. Davies: The right hon. Gentleman knows that I hold him in the highest esteem, but does he really think it wise to compare records on the NHS given the disgraceful report that has recently come out about an NHS hospital in England?

Mr. Touhig: I have no doubt that is important to compare records on the NHS. The Labour party founded the NHS—resisted by the Conservative party. We built and sustained it; all the Conservatives have done to it when they have been in government is to damage it.

When I re-read the speech that I made 15 years ago—as I did the other day, not out of vanity, but to check what I had said—it made me go a little cold, because in spite of the desperate circumstances that people were in at that time, the then Tory Government proved that they did not give a damn. We had an NHS that had been driven almost to breaking point, despite the superb commitment of doctors and nurses, and the people who suffered most throughout the UK were those who relied entirely on the NHS for their treatment. My constituents were among the worst affected.

Mrs. Gillan: Does the right hon. Gentleman therefore share my despair regarding the report that has emerged today, which states that six out of the seven new local health boards in Wales are to go more than £43 million over budget? That is, of course, under a Labour-run Welsh Assembly Government. It appears that those budgets are under great pressure and that those boards will not be able to balance the books or ensure high patient standards.

Mr. Touhig: I share the hon. Lady's concern about budget difficulties in the health service, which are inevitable because demand will always be greater than can ever be satisfied. Nevertheless, more money has been pumped into the health service under Labour Governments than was ever pumped in when the Conservative party were last in government.

My constituency, Wales and the UK have all been transformed in the past few years compared with the situation when I came here 15 years ago. Even now,

[Mr. Touhig]

however, the Tories have not learned any lessons. They look back on the years when they were in government as some sort of golden age. Frankly, they simply have not changed. While every country in Europe wants to maintain investment in the economy in the coming year, they say that if they are elected, they will start making cuts on day one. The Conservative party is the very same party that advocated standing aside and letting banks go bust, the very same party that was prepared to stand aside and see families evicted from their homes because they could not pay their mortgages, and the very same party that was prepared to see people thrown out of work because of a lack of Government support for business and industry. All that would be accelerated and would cause even more grief if they were to come into government and make sweeping cuts to public services.

In 1995, I lamented the fact that we had no general hospital in Islwyn. Between 1993 and 1994, 30,000 people from my constituency went to the nearest out-patient department 15 miles away in Newport. If anything shows the change and the great investment that Labour Governments have made, it is the fantastic 21st-century hospital at Ystrad Fawr on the border between my constituency and that of the Under-Secretary of State for Wales, my hon. Friend the Member for Caerphilly (Mr. David). Since 1999, investment in the NHS in Wales has nearly doubled, and investment in new buildings and equipment has trebled. There has been major investment in schools, with a massive rise in the number of nursery school places. There are smaller class sizes and we have new buildings and equipment, as well as extra teachers. For the working families I represent, education has been a pathway out of poverty—secured by a Labour Government. For me, that is the fundamental difference between a Tory Government and a Labour Government. The Labour party stands by the people, whereas the Tory party stands idle and lets the people suffer.

It is all very well to look back—and it is especially tempting now, at my time—but it is also important to look forward. These have been great, reforming Labour Governments, whose one great legacy has been their attempts to eradicate poverty in every form. The great socialist James Maxton once said:

"Poverty is man-made therefore open to change".

The Government have embraced that idea and have done much to try to reduce poverty. There is much more to do. The two poorest groups in our society are at the extreme ends of the age range—pensioners and children.

Mr. David Jones: If tackling poverty is indeed the Government's principal aim, will the right hon. Gentleman concede that they have failed abjectly in Wales? It is the poorest region of the country, and four of the five poorest local authority areas in the whole UK are based there. Does he acknowledge that that is a complete, abject and utter failure?

Mr. Touhig: The point is that we have continued to invest to reduce poverty and improve communities. That investment did not exist until this party came into government, and it will not exist if it were to cease to be in government.

Yes, too many children still live in poverty. We can all quote figures, but what does poverty mean for children? It means that they do not have regular meals or decent clothes, and that they do not live in decent accommodation. It means that children do not have the right equipment for school, or the inclination to use it. Poverty also means that children, as they go into adulthood, expect to fail even before they get started.

One aspect of poverty—the poverty of ambition—is not often reported in the newspapers. The problem is not easy to quantify but, if we do not tackle it, we will not progress and improve our society. All too often, I have heard people say, "Going to university or starting a business? Not for the likes of us."

I well remember visiting a primary school in my constituency. The headmaster told me, "Do you know, Don, when I came to the village, nobody expected anything from me? No one had gone to university, or had the ambition to do so. They believed that university was not for the likes of them." He told me, "I said to a lady last week, 'If you work with me, your lad is going to university.' She said, 'You're off your b..... head!'" The headmaster added that the lad in question was inquisitive, intelligent and articulate. He said, "If they worked with me as a family, he would go to comprehensive school and be on his way to university." Poverty of ambition must be eradicated. The task that we face is to equip people of all ages with the skills that they need, and the self-confidence to say, "Yes, university is for me. Yes, I will start and invest in and build up my own business."

That task will not be easy. It calls on us to have a change of mindset and be bold and radical, but it also means that we have to provide training throughout life. It is absolutely critical to our economic future that we invest in training and upskilling our people. In the US, 80 per cent. of people in work have been back in a training situation since leaving school. The figure in Germany and Japan is 56 per cent., but it is only 30 per cent. here. That is the measure of how far we still have to travel to improve training and opportunities for our people.

For us to compete, we need to give our people the skills in IT and engineering that will attract investment. We must also get a head start in the coming green revolution and all the new technologies that will accompany it. We need to give our people in Wales the skills that they do not yet have in order to create the jobs that we do not yet have.

I have always felt that the real challenge is not just Welsh, but global. We are part of a world where powerful new economies such as China and the Asian nations will challenge and then overtake Europe and the US. I welcome that challenge, as should we all. We cannot bury our heads in the sand: it is absolutely vital that we are ready, willing and able to meet that challenge head-on. There is no future for Wales—or, for that matter, the UK—if we try to compete for low-skilled, low-paid jobs. They will go where money and wages are cheapest. It is as simple as that.

Our real competitive advantage will be our knowledge base, and our capacity for innovation. In simple terms, we have to be smarter, quicker and more adaptable than our competitors. The world is undergoing a new industrial

revolution—the knowledge revolution, fuelled by the pace of technological change. Wales must be at the forefront of that change.

The only way that countries such as Wales will be able to compete is by retraining and upskilling our people. We have to keep ahead with innovative ideas, and we must exploit those ideas fully in order to improve our skills. That also means opening up the excellent research facilities at our universities, so that small and large businesses can take advantage of them.

In my maiden speech, I said that my constituents and, indeed, people throughout Wales wanted work, not benefits. They wanted opportunities to enrich their lives through education, and no one will leave education today and have a job for life. Everyone will have to retrain and reskill throughout their working lives, and no one should sit at home surviving on benefits if they can work. Indeed, if we are to achieve the goal of ensuring that people throughout Wales have jobs, not benefits, we must face up to the challenge of the knowledge revolution.

Even though we live in a global economy, there are those who believe that we should embrace a narrow, nationalist and separatist agenda. They claim that Wales is so different from England that we would have a better future if we were independent but in Europe. They used to cite Ireland and Iceland, but people do not do that anymore; indeed, all of us have constituents who have lost their life savings in the collapsed Icelandic banking system. All the fantasies about an independent Wales simply do not stack up, because the world economic downturn has proved that the arguments for independence are intellectually, politically and economically bankrupt, and we should have nothing whatever to do with them. There is no logic in Wales leaving a British union of 60 million people to join a European Union of 350 million.

Mr. Jones: I share the right hon. Gentleman's concern about the attitude of the nationalists, but, given his concerns about that, how happy is he that his party is in coalition with them in the Welsh Assembly?

Mr. Touhig: The Labour party leads the Welsh Assembly, and the policies that the Assembly implements are those of the Labour party. There might be one or two add-ons from some of the other, minor people, but it is a Labour-driven and Labour-led Assembly. After the next election I have no doubt that it will be a Labour-majority Assembly.

We must continue to be positive about the British Union and the European Union. Europe, and all that it represents for us, means that we have to be a self-confident and outward-looking country, because Europe, which had an important role in our past, will have an important role in our future. The people I have had the privilege of representing in this House for the past 15 years know the meaning of struggle. Even now, despite the great improvements in public services, family incomes and the quality of people's lives, many face problems and worries because of the recent recession, which we are now coming out of. I spoke to traders in Blackwood high street in my constituency last week, and they are finding things tough. Despite that, there is a determination to get through our troubles. There must always be optimism.

My right hon. Friend the Member for Torfaen referred to General Dynamics, and I well remember trying to persuade that company to go to Wales and, in particular, locate in Islwyn when we were losing jobs in the steel industry. While I was telling the bosses of General Dynamics here in London that Wales was a good place in which to invest and grow their business, others were saying that Wales was a step away from the soup kitchens, because we were losing those jobs in steel. The company is now established in my constituency, there are more than 800 jobs and it is an employer of regional significance. I echo my right hon. Friend's words and wish it well in its bid to secure the FRES contract, upon which the Ministry of Defence will soon decide.

No matter how difficult the road ahead may seem and no matter how hard it is to come to terms with the adversity and setbacks that we all face, we must not lose the faith that we, as a nation, will come through the current economic difficulties. There is still a strong community feeling in the valleys of my constituency—a feeling of belonging. Generations of families in the valleys have been tested in the white heat of the furnace of struggle and hardship over the years. Our fathers and mothers all went through that struggle, but, like people everywhere, the people I know, represent and live among want the best for themselves, their children and their grandchildren. They want work, not benefits, opportunities to enrich their lives through education and a decent standard of living and a decent health service.

People in Islwyn, like people throughout Wales and the United Kingdom, will soon have to make an important choice about the future of our country. It will be between a future with fairness and social justice at its heart and one that puts the recovery, public services and jobs at risk. The people will have to decide between a Tory party that will jeopardise the economy and risk our health service, education system and jobs, and a Labour party that will sustain the recovery and protect our public services.

My name will not be on the ballot paper in Islwyn when the general election comes. However, I feel sure that people there will choose once again to support the Labour party, which will ensure that they have a future. I feel sure that they will not turn to the same old Tories who let them down in the past. I fervently hope that, like the people of Islwyn, the people of the United Kingdom will have the good sense to return a Labour Government.

3.10 pm

Hywel Williams (Caernarfon) (PC): It is a pleasure to follow the right hon. Member for Islwyn (Mr. Touhig). We might not always see eye to eye on politics, but no one can doubt his passion, consistency and deep commitment to his people in Islwyn. I take this opportunity to thank him personally for the kindness that he has shown me and my family during my time in the House.

St. David's day is approaching, so this is a good time for Welsh people to look back and look forward—as a Welsh nationalist, I am certainly in the business of looking forward rather than back. I apologise on behalf of my hon. Friend the Member for Meirionnydd Nant Conwy (Mr. Llwyd), who is travelling to Cardiff for an engagement this evening and cannot be with us this afternoon.

[Hywel Williams]

We are approaching St. David's day, Dydd Gwyl Dewi Sant. As a non-commercial break, there will be a service on Monday at St. Mary Undercroft. My hon. Friend the Member for Carmarthen, East and Dinefwr (Adam Price) will be reading, as will the right hon. Member for Swansea, West (Mr. Williams). This year, I am glad to say that Mr. Speaker has also consented to read during the service. I hope to see as many hon. Members there as possible.

St. David, or Dewi Sant, said that we should keep the faith, do the small things and be joyous—those were his injunctions. It might not be easy to carry them out in the current circumstances, for in the past year we have seen unprecedented economic turmoil and great difficulties, particularly in the financial sector.

It would be remiss of me not to begin by noting the tragedy of the continuing war in Afghanistan. Our service personnel have faced death and injury over many years, as have so many of the Afghan population. In making that point and extending my sympathy to the families involved, I wish to emphasise the Plaid Cymru policy. We have repeatedly opposed the war. We have called, and call now, for a phased withdrawal, peace negotiations and the installation of a United Nations peacekeeping force.

I turn to the domestic front. The banks have started paying enormous bonuses again, but unfortunately the people of Wales have yet to reap the full and disastrous effects of the economic whirlwind brought on by the barely controlled financial sector in the City of London. So few of the people of Wales benefited from that sector, although we are, of course, paying for it now.

I repeat a point made my hon. Friend the Member for Meirionnydd Nant Conwy that there was an opportunity to put more controls on the banks at an earlier stage. The Royal Bank of Scotland is, of course, publicly owned, and it is a disgrace that it seems ready to pay out so much money in bonuses. The people in Wales and the UK will come to their own opinion about that.

Albert Owen: Like me, the hon. Gentleman is really disappointed to see those large bonuses being paid out, particularly from banks that have received taxpayers' money. However, does he not acknowledge that, had the Government not taken an interventionist role in the banking and financial institutions, there would have been great turmoil for ordinary citizens in his constituency and mine? To have sat back, done nothing and left things to the market would have been an even worse path to follow.

Hywel Williams: I agree entirely with the hon. Gentleman in that respect, but I would look at the whole piece and go a bit further back to the rip-roaring days when people were carrying shed-loads of money out of the City of London, which was allowed to happen without sufficient regulation. Points could have been made earlier on about the way in which the banks, having received all this public money, with one of them being largely publicly owned, should have acted as regards bonuses.

Mrs. Gillan: I am not disagreeing with the hon. Gentleman, but in the lobby briefing this morning—we all receive "Gallery News" in our e-mails—it was pointed out that the Royal Bank of Scotland has agreed to give bonuses to people earning less than £39,000 a year, the lowest-paid members of staff. The briefing said that that was entirely in line with what the Prime Minister has been saying. The lobby spokesman said that RBS is a very good example of having taken on board what the Prime Minister has been saying on bank bonuses. I would have thought that the hon. Gentleman would welcome that news, as I do.

Mr. Williams: The hon. Lady has the advantage over me, as I have not seen that briefing. However, the fact remains that RBS is going to spend £1.3 billion on bonuses; whether that is the only way in which it can operate its businesses is another matter.

Lembit Öpik: Will the hon. Gentleman give way?

Mr. Williams: Briefly.

Lembit Öpik: I do not want to prolong the debate about the British banking system, but I gently highlight to the hon. Gentleman something that has been made clear to me by those in the banking system—that they regard bonuses as a traditional part of how they remunerate their staff. In order to get away from this situation completely, they will have to change their system completely, because it does not look good. However, I am cautious about completely condemning bonuses, because, as the hon. Member for Chesham and Amersham (Mrs. Gillan) has rightly pointed out, the banks seem to have listened to the Prime Minister's advice.

Mr. Williams: The hon. Gentleman makes his point.

There have already been increases in unemployment in Wales and, despite the efforts of the Government in Cardiff and, to be fair, the steps taken by the Government here—the future jobs fund is a welcome step—further increases in joblessness loom. As we in Wales are so heavily dependent on employment in the public sector, any cuts in the public sector will have a disproportionate effect. We are determined to foster and grow the other part of the Welsh economy—the part that generates the wealth. I am glad to pay special tribute to the work of the Deputy First Minister, Ieuan Wyn Jones, who has shown real talent in a big, and possibly the most onerous, job in the Welsh Government.

Let me look at the local situation in my own constituency. Last week, I visited a company called Welcome Furniture, which has rescued a furniture-making business in Caernarfon that crashed, mainly because it was Irish-owned—the acknowledged difficulties in the Irish economy meant that the subsidiary in Wales also faced difficulties. With a great deal of short-term help from the Welsh Assembly and the local authority, the business has been able to re-establish itself, and it now employs 77 people, which is more people than it employed previously.

Unfortunately, in the past year we have seen the loss of a large public sector project that would have generated large numbers of jobs in my constituency, as well as in Ynys Môn and other areas. I am referring, of course, to the prison project in Caernarfon. It was a particular disappointment that that was abandoned. The Welsh Affairs Committee looked into prison provision several years ago, at my suggestion, and we were very pleased to see the announcement about the prison in Caernarfon. The Committee is looking at the matter again, and we will be reporting on it. No doubt the hon. Member for Aberavon (Dr. Francis) will refer to that in his speech.

Albert Owen: I shared the hon. Gentleman's disappointment when the Caernarfon project did not go ahead, and I backed the attempts by him and members of the Welsh Affairs Committee to ensure that there was a prison in north-west Wales. He will be aware that Isle of Anglesey county council and I have led a delegation to the Ministry of Justice to find suitable sites in Anglesey. Would he support any proposed development there?

Hywel Williams: I certainly support the prosperity that would come from such a project, which would spill over into my constituency. What is more, it would hopefully provide the prison facility that we have needed in north Wales for such a long time. I would like it to contain a facility for young people and one for women, but we await the announcements.

The people of Caernarfon, both the minority who were against the prison—a number had legitimate fears, although I believe that they could have been assuaged—and the rather larger group in favour, all engaged in reasoned and adult debate, and we did the necessary preparatory work in both the public and private sector. The latter was keen to take part. I pay tribute to Gwynedd county council, under the leadership of Dyfed Edwards. The prison project in Caernarfon might be no more, but any prospective investor in Arfon can be confident of meeting a positive and expert response, and it is definitely open for business.

In the past year we have also seen the passing, at last, of the Welsh language legislative competence order, which was of particular satisfaction to me and to many people across Wales who have been campaigning for a long time for the emancipation of the Welsh language. I was particularly glad of the positive contribution made by Cymdeithas yr Iaith Gymraeg, the Welsh Language Society. It has its campaigning methods and its work to do, and its tactics are not the ones that I would choose, but its contribution to the consideration of the LCO should be a matter of pride to it. It showed yet again that it is in the forefront of positive and creative thinking about the future of the language, and it certainly has a great deal more work to do in that field. I hope that soon, a Measure will be published setting up a language commissioner, which would be the first such step by the Assembly. There will be many more to be taken afterwards.

The right hon. Member for Cardiff, South and Penarth (Alun Michael), who is unfortunately not here this afternoon, scored a success yesterday with his Bill regarding marriage in Wales. It took about 10 minutes to pass through its Committee stage and attracted brief contributions from a large number of Welsh Members—it was a good-humoured occasion. I have no truck with envy, but I point out to Ministers and the official Opposition that my Bill to allow the registration of births and deaths in Welsh enjoys wide cross-party support and support across Wales. In the coming year, it would be fitting if the House were to match the Welsh Assembly Government's positive steps in legislating on the Welsh language by making available parliamentary time for what I claim is a most worthwhile Bill. While I am on the subject of my own efforts in this field, I point to my proposed bilingual juries Bill, which also commands support across Wales, significantly so in the legal profession.

It would be remiss of me not to note the quickening pace of change in the legal profession in Wales. We now have a Welsh circuit and a growing body of Welsh law. All the more reason, therefore, to establish a Welsh jurisdiction and make policing in Wales the responsibility of the Welsh Assembly Government.

Julie Morgan: In view of the points that the hon. Gentleman has just made, does he agree that it is important to retain a good representation of the Legal Services Commission in Wales, so that it can provide the services that are needed?

Hywel Williams: I agree entirely with the hon. Lady and I am very glad that there was co-operation on both sides of the House and in the Welsh Affairs Committee when we addressed that matter, which we have hopefully done successfully.

Less positively, I must note the problems with the housing legislative competence order, which has still not passed after some 32 months. The Welsh Affairs Committee raised some fundamental points about the first version, but as a Committee, we acted quickly—there are sometimes complaints that matters are held up by the Committee, but I do not believe that that happened in this case. Of course, there has been a great deal of to-ing and fro-ing between Cardiff and London, which I am sure will be the subject of the Committee's forthcoming report on Wales and Whitehall. Perhaps the Chairman of the Committee rather than I will say more about that.

The evidence that the Committee took, which is publicly available, shows a lack of awareness of the nature of devolution among civil service personnel in London. Interestingly, Rhodri Morgan said that dealing with Whitehall was like being the First Minister of the last colony. That may be a Rhodri-ism, but it is very revealing. We must struggle on with the LCO system, but many in Wales and in this House look forward to the referendum, and the establishment—at last—of full and proper law-making powers for the Senedd in Cardiff.

Looking forward to the election, Plaid Cymru has a number of policies on key issues, including child poverty, but I should like to talk about pensioner poverty and our living pension policy. According to Age Concern, older people say that tackling pensioner poverty and reforming the struggling care system are top priorities for them, so let me put this plainly: ending pensioner poverty should be at the top of the agenda for any party of government or any aspiring party of government, and Labour and Tory alike have failed to some extent in that respect over many decades. Indeed, coming up to the general election, the London parties seem obsessed with outbidding one another on cuts to public services and privatisation agendas.

The point is that so much of the policy debate is about English policy, but, for example, health and education—two major issues—are devolved to Wales. By the same token, of course, they are devolved to England, so it is a two-way street. By the way, I never hear people in Wales complaining about quasi-devolution to England; they seem much more concerned with devolution in Wales. The truth is that in the crucial matters of health and education, this Parliament often acts as England's Parliament. The Leader of the Opposition might pledge on billboards not to cut the NHS, but he should add, "in England", which would clarify the matter for people in Wales.

Mr. David Jones: Is it not the case that preserving the NHS budget would also benefit Wales through the Barnett formula?

Hywel Williams: Indeed it would, but the public debate so often seems to be on features of the NHS in England. Perhaps that will change as the election approaches.

On the care at home Green Paper, which is another concern of older people, the UK Government have long promised to do something about the cost of care, dating back well into the last century. The Green Paper that was rolled out could apply directly only to England, because care is devolved, but then disability living allowance and attendance allowance came to the fore, and it was said that they could be used to pay for care. The implications of the Green Paper for Wales were unclear. Vulnerable people in Wales who depend on the DLA and attendance allowance were alarmed by press reports, some of which were extremely unclear, and many of which did not refer to the England-only nature of the proposals. Those proposals have changed steadily, and I understand that now the intention is that, for existing claimants and those over 65, the DLA and attendance allowance will be looked at for those in England only. I look forward to the Government explaining this issue further.

The Conservative proposals for residential care costs are even more irrelevant to Wales, given that they depend on the taking out of insurance policies at a cost of £8,000—although the figures are disputed and others say that the real costs would be somewhat higher. There would be a problem for Welsh pensioners who depend on the retirement pension. Age Concern says that all older people should enjoy an adequate standard of living, but 119,000 Welsh pensioners are living in poverty. That is why we would introduce our policy of a living pension, to bring together the pension credit and the current retirement pension, which would be paid for out of the tax relief that now goes to higher rate taxpayers on their pension contributions.

This will be a very important election. All the polls now point to a Parliament with no party in overall control, so there will be an opportunity to hear the voices of the people of Wales which are so often submerged in the big party battles in this place.

I said earlier that St. David had several injunctions for us, including the exhortation to be joyous. I am afraid that my speech has been somewhat pessimistic, but I am by nature an optimist, and I have a deep belief in the ability of the people of Wales to overcome difficulties. We are survivors, as demonstrated by our mastery of the elements of the industrial revolution, the overcoming of the terrible depression of the 1930s and the relative prosperity of the 1960s and 1970s, and our coping with the disaster of Tory rule under Mrs. Thatcher and then under Mr. Major. However, we can be much more than survivors if we so choose. There is a carping tendency in Wales. We can talk ourselves down, but I do not want to be part of that.

I am a great admirer of Idris Davies—I suppose that I should call him the socialist poet—the author of "Gwalia Deserta" and "The Angry Summer: A Poem of 1926". I should point out to the right hon. Member for Islwyn that Idris Davies was also a Plaid Cymru member, at least in his last days. He was remarkably prescient. In his poem "The Telephones are Ringing", he may have been foreseeing recent events in this place when he says:

"The telephones are ringing
And treachery's in the air.
The sleek one,
the expert at compromise
is bowing in Whitehall".

David T. C. Davies: I, too, am fond of Idris Davies's poems, and one of his more famous ones was "When we walked to Merthyr Tydfil". Of course he would not have needed to walk there had there been a Conservative Government, because we invested millions of pounds in the Heads of the Valleys road and other dual carriageways to allow new industry to get into those valleys.

Hywel Williams: The hon. Gentleman now has the headline for his next press release.

Idris Davies was often viewed as the poet of the depression, but he had some very funny things to say as well. I came across a poem about the people who have a tendency to talk Wales down:

"They don't like Sunday concerts
Or women playing ball
They don't like William Parry much
Or Shakespeare at all.
And when they go to Heaven
They won't like that too well,
For the music will be sweeter
Than the music played in Hell."

I am not one of those looking for the miserabilist option. I do not say, "That is not for us, we cannot do it." That is the Welsh voice, the half-mocking self-doubt combined with the blind fervour that we deserve better, that we can do better. The second tendency is the one that we should foster, and that is the duty of every democratic representative from Wales.

We should not always say no, or refuse change. Instead, we should set the abilities and the aspirations of the people of Wales free. We have a duty to make and remake our nation, and that is a duty that I commend to the Welsh Members of this House.

3.35 pm

Julie Morgan (Cardiff, North) (Lab): Thank you, Madam Deputy Speaker, for calling me to speak in this important debate held on St. David's day. It is a great pleasure to follow the hon. Member for Caernarfon (Hywel Williams). I want to echo many of the points made, particularly from the Labour Benches, and to wish all retiring Members all the best for the future—they have been good friends and comrades.

Like the hon. Member for Caernarfon, I am an optimist and have great hope and confidence in what we can achieve in Wales. I do not play down the amount of suffering during the recession in my constituency, but despite all that I see great signs of hope. As I mentioned earlier, my constituency has seen a growth in the number of private companies and jobs, and last week I visited the partially built positron emission tomography—PET—scanner in the Heath hospital, which will be one of the most advanced scanners in the UK and the world. It is able to detect cancers and other diseases at a very early stage, because it detects the movement of cells. It is a miracle of engineering. I visited it and thought it one of the most advanced mechanisms of medical discovery in

the world—and it has been built for the Health hospital and the health service in Cardiff. That is a huge tribute to what we can achieve.

Recently, I also visited many schools in my constituency to look at the new three to seven-year-old learn-through-play foundation phase. Huge resources have been put into that, and it is a delight to visit. Most of all, visiting the foundation phase classes, I was struck by the huge enthusiasm of the teachers. They said, "This is what we have always wanted for education. We want children to learn in this way, when they can express themselves." I am sure that it will be of long-term benefit to the children in Wales.

Those are just a few of the things that have given me this feeling of great optimism recently. However, I want to use most of my contribution to concentrate on one particular constituency issue—the big threat to the Llanishen reservoir in my constituency, and the threat to Cardiff as a whole. The threat has been of development and of concreting over part of the Llanishen reservoir, and the newest threat is of draining the reservoir. I have been campaigning on this issue for eight years, and I am sure that everybody here is probably fed up with hearing me mention it. I remember raising it at nearly every session of business questions when my right hon. Friend the Secretary of State was Leader of the House.

I am sure that most people here would have thought that this issue was settled and do not want to listen to me going on about it again. However, we are in a difficult situation. Western Power Distribution, which is a subsidiary of Pennsylvania Power and Light, has spent eight years trying to build a housing estate on Llanishen reservoir. Several planning applications have failed and there have been several appeals. There is no permission to build, and the plans are contrary to the existing council policy and the local development plan. The plans have also been strongly opposed by the local reservoir action group, and I would like to pay tribute to its present chairman, Andrew Hill, and its past chairman, Ted Thurgood, for their magnificent efforts in opposing the development.

Cardiff, unlike some cities, does not really have a green belt, but has four green wedges that follow the rivers that enter the city. Those green wedges go right down into the centre of the city, which gives the opportunity for many people in Cardiff to benefit from greenness, even if they live right in the centre of the town. Llanishen reservoir is based in one of these wedges, and development has always been forbidden in the Nant Fawr corridor. Despite the council's policy to keep the corridor for nature and greenery, WPD has engaged in eight years of attrition, seeking to build on, and now drain, the reservoir.

The reservoir is a hugely attractive amenity. Cardiff council has a sailing school there, where youngsters learn to sail, and it has unique water, which is absolutely pure, being made up entirely of rainwater. If someone falls out of the boat into Llanishen reservoir, there is no fear of suffering the effects of pollution.

Last Friday we received a telephone call at my office. It was reported to me that there was a lot of commotion up at the reservoir, so I went there personally and saw that pipes had been delivered and a unit set up. There were two security guards, who refused to grant me entry, and preparations for the draining of the reservoir had begun. WPD's justification for draining the reservoir is based on a 2008 report by a Dr. Andy Hughes, a dam engineer employed by the developer. The only recommendation in the report that is legally enforceable by the Environment Agency does not require the emptying of the reservoir. We fear that WPD is proceeding to drain the reservoir in order to make its planning application more likely to succeed.

Mark Acford, the enforcement officer in reservoir safety at the Environment Agency in Exeter, confirmed in writing to WPD on 18 February that Dr. Hughes's report does not specifically require a draw-down of the reservoir in the interests of safety. We now know that Dr. Hughes had inaccurate information. He thought that a draw-down would enable pipes at the bottom of the reservoir to be inspected for safety, but it is now known that those pipes are encased in concrete. He had also been told that there were regular leaks from a pipe that leads out from the reservoir, but that pipe has never leaked.

Because it was known that Dr. Hughes had based other suggestions that a draw-down was needed on incorrect information, RAG, the local action group, commissioned one of the most experienced and qualified water engineers in the country, Mr. Chris Binnie, to prepare a review of the situation. His detailed report, which is now fully in the public domain, is adamant that the emptying of the reservoir is not needed, either on safety grounds or to carry out the required survey. Mr. Binnie confirms in his report that he has spoken to Dr. Hughes on several occasions and had a meeting with him. Binnie confirms in his executive summary on page 2 that Dr. Hughes has said that

"based on the information provided by RAG, he"—

Dr. Hughes—

"should reconsider his recommendations,"

but that he has

"been instructed by his client not to communicate".

Binnie says that Hughes was unaware when he wrote his report in 2008 of the new information now to hand, which makes emptying the reservoir unnecessary. However, despite formal requests, he is refusing to review his recommendations.

We are therefore in a difficult situation. The threatened draining of the reservoir will have dire consequences for people in my constituency and in Cardiff generally. The youth sailing centre would be out of action for eight years, which is how long it would take to fill the reservoir up with rainwater. The ecology of the reservoir would be lost. It contains 300 million gallons of pure rainwater. There would be a threat of pollution to the streams that lead into Roath Park lake, with 10,000 cubic metres of silt being discharged.

There would also be likely structural damage to the clay core of the dam if it was left empty for a long period, as clay must be kept wet. Fissures or cracks would develop, and in those circumstances it would be easy for a leak to spring and the reservoir never to be refilled. That is important because the reservoir is now a listed building—the entire structure has been listed by Cadw—so any risk of damage is a criminal offence. Binnie says that if the reservoir was empty for six months, it could be damaged. Some precautionary action must be taken. In my view, the council or Cadw have the grounds to take out an injunction because of the damage that could be caused.

[Julie Morgan]

The fundamental issues are that Hughes is refusing to reconsider his report in the light of new evidence. That raises issues about his professional integrity. RAG did not criticise his initial report on the grounds that he had incorrect information, but the two reasons that he gave for draining the reservoir are no longer valid, and it seems that Hughes is being muzzled by his client. I am pleased to have the opportunity to lay that out publicly today. I feel strongly that something must be done. Two engineers are fundamentally disagreeing about the way ahead, and one engineer is refusing to consider new evidence. Is there any way in which the Secretary of State could intervene, or ask Welsh Assembly Ministers to intervene? Perhaps the Institution of Civil Engineers could appoint an adjudicator to consider both reports. We need a cessation of draining while a review takes place. We need a stay of execution.

I strongly believe that Cardiff city council has the power to issue an injunction to stop the draining of the reservoir, because its sailing school is threatened. I also think that Cadw could issue an injunction to stop the damage being done to the listed building. Many of my constituents feel very strongly about this, and there is a strong campaign being run by the local newspaper, the *South Wales Echo*. Many people have written to WPD's parent company in the United States to highlight the strength of feeling, not only in my constituency but in the whole of the Cardiff area, that this reservoir and its area of natural beauty—which includes a site of special scientific interest—should be preserved. WPD has power and money. It has put up its dreadful steel fences and brought in its security guards. It seems absolutely determined to destroy this listed monument in the SSSI, which is part of the Nant Fawr corridor and is one of the features that gives Cardiff its uniqueness.

I am glad to have had the chance to put this situation on record today. I am appealing to the Secretary of State to see whether there is anything that he can do. There are many other important issues affecting my constituency, but I have chosen this one because it has touched so many people in Cardiff, North, and because of the many aspects—recreation, beauty, greenness and wildlife—that are so important for communities.

Mr. Hain: I am grateful to my hon. Friend for giving way and allowing me to respond briefly. I am well aware of her passionate defence of the reservoir; I recall her raising the subject regularly. I will certainly look into the matter carefully, as Secretary of State, and in any case raise it with the First Minister, as she has requested.

Julie Morgan: I thank my right hon. Friend for those comments. I hope that he will be able to do something, or at least encourage others to do something. With that, I shall conclude my remarks.

3.47 pm

David T. C. Davies (Monmouth) (Con): I am grateful for this opportunity to say a few words. I should like to follow up on points raised by the right hon. Members for Islwyn (Mr. Touhig) and for Cynon Valley (Ann Clwyd). I have a great deal of respect for both of them, and I shall miss the right hon. Gentleman. It was slightly disappointing, however, if not entirely surprising, that both of them chose to repeat a rather one-sided view of the economic history of this country of the past 20 years.

The right hon. Lady seems to forget that people in Wales suffered far more in the 1970s, when interest rates were higher than they ever were under a Conservative Government. The industrial chaos that was wreaked by the previous Labour Government is mirrored by the financial chaos that has been imposed on us by the current one. She also gave the House a rather one-sided view of the miners' strike. She forgot a couple of key points. First, the Labour Government of Harold Wilson closed down far more mines than the Conservative Government of Mrs. Thatcher. Secondly, the miners were not given any opportunity to vote on whether they wished to go on strike, in Wales or anywhere else, during that strike. They were being used by the leadership of the National Union of Mineworkers to try to bring down a democratically elected Government, just as they were used in the early 1970s. It was for that reason that the miners' union leaders did not get the support of the Government, or of leading members of the Opposition either.

The Secretary of State made pretty much the same speech that he always makes, attacking Conservative policy on everything that happened during the 1980s while skimming briefly over the record of the Labour Government of the past 12 or 13 years. I do not want to rehearse all the economic arguments, the arguments about the health service and so on. I just want to draw his attention to a few key cases in my constituency that demonstrate the failure of Labour in Parliament and in the Welsh Assembly.

The Secretary of State spoke first about the economy, and rightly so. He painted a rosy picture. One thing he certainly did not mention was the Severn bridge and its impact on the economy in Wales at the moment. He must be perfectly well aware that the Humber bridge has had a freeze put on any increases in tolls as a result, the Government said, of the bad economic crisis. I have looked at the matter, and users of the Humber bridge pay roughly the same as users of the Severn bridge, although the charging mechanism is slightly different. I cannot understand why people living in the Humber area of England can escape a rise in fees—I wish them all the best and I do not criticise the Government for that—while Welsh people, especially those living in south Wales who commute over the Severn bridge every day, are being treated like second-class citizens and are not being given the same rights as people living in the Humber area. Could it be that there is a Labour marginal seat in Humber, and that the Government are simply trying to buy votes? I would welcome clarification from the Minister with responsibility for that.

I go around my constituency speaking to people in business, and they do not recognise the rosy picture painted by the Secretary of State. I recently met David Bone, an engineer and the director of Ocean Resource Ltd, which creates designs for oil refineries and wind farms. He is a successful entrepreneur and a man who is actually doing things that can help to build the economy. He tells me that he has contacted the Welsh Assembly on numerous occasions to discuss aspects of grant funding, and that he has never even received the courtesy of a reply. I find that absolutely reprehensible. I have spent a long time talking to him, and I have no reason to disbelieve him. He tells me categorically that he has corresponded with Ministers in the Welsh Assembly and that none of them had the courtesy even to write back to him, which is extraordinary.

Mr. Bone also raised the issue of the green economy, which we all agree needs to be developed in this country. Wales could be a beacon of excellence for green jobs. He raised concerns about the Energy Technologies Institute, which is partly funded by Government money and ought to support industries in the United Kingdom, but appears to spend a lot of its money supporting industries from other parts of Europe. If we are serious about developing the green economy and green jobs, we need to ensure that any public money from British taxpayers is spent on British businesses.

On training and so on, the rosy picture that the Secretary of State paints does not correspond with what is seen by my constituents. In that regard, I want to raise the issue of apprenticeships. Recently, a 20-year-old, Damien Radnor of Raglan, came to see me. He is a very enthusiastic, intelligent and articulate young man, who looked around and realised that the country had a shortage of electricians. He spent two years in a local college near Monmouthshire—just outside my constituency, but that is not important—training to become an electrician. He needs to spend a further year working as an apprentice, with an electrician, to complete his course in college. Despite his having written to more than 40 people—I have seen the letters—all have had to turn him down. They are not taking on apprentices, for a variety of reasons: employment legislation makes it difficult; there is no real money to support employers who want to take on apprentices. Consequently, everyone's time and money is being wasted. This young man gave up a well-paid job to study, and spent two years of his life and a lot of money on the process. Presumably, the college course would have been subsidised in some way by the Government, so taxpayer's money was being spent as well. At the end of it, a bright and enthusiastic young man, who wants to go out and work and is willing to write to everyone he can think of, is unable to get a placement as an apprentice. The Secretary of State may shake his head, but I could introduce him to that young man, and I assure him that that is exactly what has happened. More needs to be done to help young people who want apprenticeships.

We have heard, of course, about the national health service. Someone said that it had been invented by Labour in the teeth of opposition. That is the sort of one-sided view of history that Labour Members get away with all too often. The reality is that people were not dying in the streets before the health service was formed. Moreover, it was not really a Labour Government who invented it. If anything, it was invented by a civil servant called Beveridge during the second world war. It was accepted by Members in all parts of the House that the national health service, in one form or another, would be introduced after the second world war regardless of who won the election. A health service was already functioning—*[Interruption.]* Hon. Members may shake their heads and laugh if they want to.

Albert Owen: The social policies devised by Beveridge, which were introduced by the Labour Government in the NHS more than 60 years ago, were opposed by the Conservative party at the time. That is a fact and is on the record of the House, and the hon. Gentleman ought to acknowledge it.

David T. C. Davies: What I will acknowledge is this. Beveridge's report was published in, I believe, 1942. It was certainly published while the country was being led by a Conservative Prime Minister. No one at that time disputed the central basis of the report.

Lembit Öpik *rose—*

David T. C. Davies: I will give way in a moment, because I am not afraid to debate the real history of this country with anyone.

There were probably arguments about the way in which the health service would be introduced, but there is no doubt that no Member wanted to see people dying in the streets, and that had not happened before the introduction of the national health service. It did not happen afterwards either, but I am afraid that thousands of needless deaths are taking place now. I am not talking just about the recent ones that we all know about. This has been going on for far too long, and one of the reasons, I believe, is that anyone who tries to make any criticism of the NHS is immediately accused of wanting to get rid of it, although in fact most Conservative Members want to see it function better.

Lembit Öpik: I hold the hon. Gentleman in high regard, and I am grateful to him for giving way. I should say, however, that Beveridge—who was a Liberal—would quite evidently have failed in his ambition to introduce the NHS had the Conservatives won the general election in 1945. The hon. Gentleman has accused other hon. Members of rewriting history, but what he has said constitutes the most flagrant rewriting of history that we have heard all day.

David T. C. Davies: I look forward to returning to that piece of history on another occasion, but now I want to talk about the present.

I am a user of the NHS. All my children were born in NHS hospitals, except one who was born at home with the help of NHS staff. One of my children has had to spend consecutive Christmases in hospital, once in eastern Europe and once in the United Kingdom. The staff in both hospitals were superb—I have no complaint whatsoever about them—but the standards in a not particularly prosperous part of rural eastern Europe were at least as good as those in Abergavenny.

In that hospital in rural Hungary my daughter had her own room, as did everyone else. There was always a doctor on the ward, never more than a few paces away, 24 hours a day. That is not the experience of people who come into contact with the NHS in the United Kingdom. So please let us not tell ourselves that the NHS is the envy of the world. It is not. There are problems with it, and we should not be blind to them. We should not allow ourselves to ignore any criticisms of the organisation of the NHS for fear of criticising the staff, and I should make it clear that I do not in any way criticise the staff.

Let me give an example of how the health service is letting people down. Another of my constituents, 93-year-old Reginald Lewis, who is in the Severn View residential home in Chepstow, asked me to raise his case in the House today. He served in the armed forces, he has worked all his life, and he is paying his own fees at the nursing home of £1,700 a month. He has an open leg wound. He says that the nursing staff have been excellent in trying to treat him, but his condition is simply not getting better. He went to see a doctor, and was told—a

[David T. C. Davies]

93-year-old man who had served in the armed forces—that he would have to wait six to 12 months before anyone from the NHS would even look at the wound or do anything about it. That is absolutely disgraceful.

Finally, as issues affecting elderly people were rightly mentioned earlier, I shall now raise the issue of pensions. The Secretary of State was responsible, in one of his many previous guises, for setting up the Pension Protection Fund, which comes into effect when companies go bankrupt by, effectively, taking over the pension scheme and paying people 90 per cent. of their pension. It is not a bad idea to give the Secretary of State credit where it is due, and some is due in this instance, so I shall give it to him without any malice. However, he seems to have overlooked one important point: a lot of people whose companies went bankrupt and whose schemes were taken over by the PPF have been let down because prior to working in the companies that went bankrupt they had other jobs.

Mrs. Jordan came to see me about this matter. She had worked for a different company for a number of years, and she transferred her pension rights into the new company, which then went bankrupt. It was taken over by the PPF and she was told she would get a pension of about 90 per cent., which is £13,000 a year. That was not good news for her, but neither was it a life-changing disaster. The PPF subsequently discovered a legal loophole, however, which allowed it to reduce her pension by the amount that had been paid in from the previous company, because when the PPF takes over a scheme, it takes over only that scheme, and only the pension rights paid directly into the company that has gone bankrupt are credited to the individual, not any previous pension moneys from other companies that have been paid into the scheme of the company that has gone bankrupt. Effectively, therefore, Mrs. Jordan has been robbed of a large sum from her pension, and the capital money has gone to the PPF, which is using it for other things. I acknowledge that that point is a little complicated, but there will be many people who are in the same position as Mrs. Jordan in that as a result of this loophole they have lost out on money that is rightfully theirs. We should not be using legal loopholes when dealing with paying people's pensions. We should be looking at what is right and fair, and doing the right thing by people.

I have probably spoken for long enough, as I want every hon. Member who wishes to do so to be able to contribute. I shall conclude by echoing the words of a previous, well-known Labour leader. What will happen if Labour gets re-elected again? Based on the experience of my constituents, I warn you not to try to set up a business; I warn you not to try to better yourself by going to university or trying to get an apprenticeship; I warn you not to get ill; and I warn you not to get old.

4.2 pm

Dr. Hywel Francis (Aberavon) (Lab): May I begin by paying tribute to all the Welsh members of our armed forces in Afghanistan, particularly those who, sadly, have been killed in the service of our country, including Corporal Dean John from my constituency? We should also not forget their families, many of whom are very active in voluntary organisations. For example, Dean's mother, Mrs. Deborah John, is very active and doing outstanding work in our area in the well-known organisation SAFFA—the Soldiers, Sailors, Airmen and Families Association.

We should also remember the work of the Royal British Legion. I am sure many Members on both sides of the House would join me in endorsing the RBL general election manifesto. Many of my constituents have drawn it to my attention, and I am delighted to endorse that manifesto. Two of them, Tom Fellows and Roger Sheppard, have been doing some excellent work in recent years. I wish to draw particular attention to two policies in the manifesto, which have already been referred to by many Members:

> "Make the NHS priority treatment system work for veterans with injuries caused by Service in the Armed Forces"

and, tackle poverty among older veterans and widows.

As many Members have said, this Welsh day debate provides us with a welcome opportunity to reflect on our work over the last year and to look forward to the future. In the past year, we all looked back on what I, and many Members on both sides of the House, would call a decade of achievement in democratic devolution, or as my distinguished predecessor, Lord Morris of Aberavon, rightly and often termed it, the repatriation of power to Wales.

I am proud to say, as an enthusiastic supporter of democratic devolution, that the Select Committee on Welsh Affairs, which I chair, has had a growing and always benign role in that process, both scrutinising Government policy and, in more recent times, working with our Welsh Assembly colleagues on pre-legislative scrutiny of LCOs. In a remarkably busy, almost frenetic, five years, the Committee has held 43 inquiries, ranging from the mammoth globalisation inquiry that took place over 18 months, where we called senior Burberry executives to account, to the one-day sitting on the Legal Services Commission. I pay tribute to my hon. Friend the Member for Cardiff, North (Julie Morgan) for her work in that field. When we held that inquiry we successfully called Government Ministers to account. I should add that 25 of these inquiries took place in the past two years, when we were also undertaking our LCO work.

It has been an exceptionally busy last year for the Welsh Affairs Committee. About half our work over the past 12 months has been on scrutinising LCOs and thus devolving further powers to the Assembly. As we have heard from other hon. Members, these included the Welsh language LCO, which has now received Royal Assent and has paved the way for new Measures relating to the Welsh language to be passed in the Assembly. The publication of our enlightened and unanimous report was arguably our greatest achievement over the past five years. The environment LCO has also completed its progress and will enable Wales to lead the way in tackling pollution and litter and in encouraging recycling.

The Committee recently reported on its 15th LCO and has now completed work on all the LCOs that have been laid before the House. That is surprising, given that two years ago many people outside this House would not have believed that we could have done this work. Despite much doom and gloom in those quarters—people were daunted by what they described as "complexity" and did not understand that all legislative processes are complex—we did win through in the end.

I wish to thank all the members of the Committee for their dedication and commitment to completing this scrutiny work in a timely and very thorough fashion. Whether the latest LCOs complete their remaining parliamentary stages will depend on the date of the general election, but my Committee has worked hard to make sure that they have every chance of doing so.

I am pleased that our work has been recognised elsewhere, and not only in debates in this House. For example, it was recognised by Sir Gus O'Donnell, the head of the civil service, when he gave evidence to us recently as part of our current inquiry into the relationship between Wales and Whitehall. It will be the last major inquiry that the Committee undertakes during this Parliament, but it will also be one of the most important. It was inspired by a short inquiry that we completed last year into the decision by the Legal Services Commission to scale down its operations in Cardiff. That decision was taken without consulting the Welsh Assembly Government or the Wales Office, and with no regard to increasing legal divergence post devolution. As a result of our inquiry, the LSC has not implemented its planned changes and is reconsidering its decisions. That is just one example of a decision being made centrally with no proper awareness of its potential impact on Wales.

Equally, we have also heard about decisions being made in Cardiff without full regard for the impact they may have on those needing to cross the border regularly. We have continued to investigate cross-border services for people who travel between England and Wales for health care and education, as well as the quality of cross-border transport links. We believe that our work in this area has improved access to hospitals and colleges for those living near the border, who have sometimes suffered from gaps in provision when the different policies of the UK Government and Welsh Assembly Government were not properly joined up.

We were particularly pleased to have the opportunity to take evidence jointly with the Assembly's Enterprise and Learning Committee on cross-border rail links. I warmly welcome the announcement, as I am sure that colleagues from all parties will, that the great western main line between Swansea and London is to be electrified, as our Committee strongly recommended shortly before the announcement was made. We will shortly publish a follow-up report to our cross-border inquiry.

The evidence we have taken during our current inquiry into Wales and Whitehall has shown that devolution requires both Cardiff and London to be committed to communicating properly with one another and considering the impacts of their policies at both ends of the M4. Wales's interests must be considered when UK policy is developed, but the communication problems we have uncovered do not go only in one direction. It is important not only that Members of this House understand that, but that the media should convey that message. I think that the situation is improving, with greater awareness being shown by all parties, perhaps as a result of some of my Committee's inquiries—and I am sure that our forthcoming report will contribute to improving relationships still further.

Let me now make some positive observations about the coming period on the basis of recent oral evidence given to our Committee. First, we had a very constructive evidence session with the Welsh Assembly Government Minister for Health and Social Services, Mrs. Edwina Hart. It highlighted the possibility that Wales could take a lead on the health and rehabilitation of veterans across the UK. It was an illuminating evidence session and I can see Members nodding in agreement about how important Mrs. Hart's evidence was. Her strong desire to work with the Ministry of Defence and with other devolved Administrations provided a policy possibility that the Committee warmly welcomed and that it will consider closely if we have the good fortune to be Members of this House in the new Parliament.

Secondly, the willingness of senior civil servants to give frank and insightful observations on strategy and performance in our Wales and Whitehall inquiry was another recent welcome development. The process of devolution needs transparency and constant analysis as well as self-criticism from politicians and officials alike. Now that they have come out of the shadows, so to speak, we want to encourage these senior civil servants to come under the spotlight regularly—perhaps appearing before us once a year.

I am sure that senior civil servants, whether they are in Cardiff Bay or Whitehall, will wish to be measured by the watchword of universities throughout Wales: "Goreu Awen Gwirionedd", or "The best inspiration is truth." That has certainly been the inspiration of our Committee in its service to the people of Wales. It has been a privilege to have chaired it over the past five years. We have benefited from constructive working relations with two Secretaries of State and two First Ministers. I pay tribute to them all and to the dedicated and professional work of Select Committee staff.

In conclusion, let me join others in paying tribute to all right hon. and hon. Friends and Members who are standing down at the next general election. In particular, may I pay personal tribute to my right hon. Friend the Member for Islwyn (Mr. Touhig), a successful Wales Office and Defence Minister who has worked so hard for miners' compensation and for our veterans? His insightful and independent thinking will be sorely missed in the House, and we all admired the contribution that he made to the debate earlier. I wish him and Jennifer well in the future. If he stands for public office again elsewhere, I have offered to be his election agent.

4.14 pm

Lembit Öpik (Montgomeryshire) (LD): I echo the observations that have just been made regarding our retiring friends.

If people did not have problems, we would not have jobs, and we sometimes forget the point that David Lloyd George, who was unquestionably the greatest Prime Minister of the 20th century, made when he said:

"The finest eloquence is that which gets things done".

That is never truer than in periods of economic trouble, and these are tough times. In Montgomeryshire, we have been very busy with closures, with downsizing and with trying to prevent the worst effects of the recession from taking hold. Indeed, we have recently had problems with the potential loss of another 180 jobs, and it has been almost a full-time occupation to try to protect them.

There have also been threats to our local high schools. The Conservatives leaked a document that caused considerable upset and panic because it suggested that high schools might be closed. There is always an ongoing

[Lembit Öpik]

threat to services in our local hospitals, which remain open in name but which still suffer, to an extent, from reduced services because the health board seems to want to save money by taking away cherished and long-loved local facilities. There is a virtual absence of mental health services; there is an ongoing dispute about wind farms in the area; there are questions about flooding; and there is gridlock in Newtown as a result of new traffic arrangements. There is even talk of some kind of enormous monster living at Clywedog dam. I shall return to those issues later.

With a general election looming, it is natural for us to look briefly at what is on offer. I think that I am fairly clear about what we get with the Labour party. It has been in government and we know its strengths and weaknesses. Incidentally, something that has almost been forgotten is the difficulty that the Secretary of State for Wales experienced when he had to take a back seat after various accusations were made about him. As I said then, it is a great shame when pressure from opponents in the media can force the temporary demotion of good politicians. I am very pleased that he not only cleared his name but recovered his original position. That was the just outcome of some very unjust accusations.

We know what Labour offers—I suppose there has been some debate about that today—but I am very concerned that we do not really know what the Conservatives offer. That must be a matter of concern to me as I consider what could happen to my constituents should there be a Conservative Government. There tends to be a sense of defeatism locally at times from the Conservatives in Montgomeryshire about various matters, and I see the same attitude reflected here in Westminster. It is an attitude not of delivery but of criticism, but that is not what our country needs or what my constituents want.

Mr. Paul Murphy: The hon. Gentleman wonders what the impact of a Conservative Government would be on his constituency—perhaps the first impact would be that his constituency would not exist at all. What are his views on that?

Lembit Öpik: I have never got very excited about discussions on the Boundary Commission, but the Leader of the Opposition seems to have set the hare running by making some heady claims about constitutional reforms that would require a reduction in the number of constituencies. Indeed, the Liberal Democrats have said something about that as well. My difficulty with that and other policies is that they always seem half-baked. We do not get the detail and we do not really understand what the specific intentions of a Conservative Government would be, so we are forced to look at the past. When it comes to the banks, I am extremely concerned that the act of electing a Conservative Government, would, by its nature, cause a second recession. We know, from what the Government have had to respond to from Conservative Members, that if the Tories had been in charge during the banking collapse, the banks would have been left to fail.

There was a degree of vacillation in their policy, but the Tories seem to want to make a virtue of the fact that they would not have supported the action to protect the banks taken at that time, and in extremis, by the Chancellor of the Exchequer.

Mrs. Gillan: I have been listening to the hon. Gentleman and want to put him out of his agony. The leader of my party, the right hon. Member for Witney (Mr. Cameron), has said that he wants to reduce the number of politicians and the size of Parliament, which has burgeoned and got too big. Like me, however, he has also said that Wales will not be disproportionately represented at Westminster. It will be represented in exactly the same way as any other part of the UK.

I was in the hon. Gentleman's constituency the other day with our candidate there, Glyn Davies. We were discussing this matter, and it is a comfort to know that under a Conservative Government Wales will always be represented in this place on exactly the same basis as any other part of the UK. I hope that that puts the hon. Gentleman out of his agony.

Lembit Öpik: I am sure that the whole House is grateful for that clarification, but I am slightly disappointed, as I thought that the hon. Lady would clarify her party's position on the banks. All the evidence suggests that the economic policies being promoted by the Conservative party over the past two years would have had a catastrophic impact on the British economy, and thus on the constituents of Montgomeryshire.

Mrs. Gillan: Will the hon. Gentleman give way again?

Lembit Öpik: I will, as the hon. Lady seems very keen to respond.

Mrs. Gillan: May I recommend that the hon. Gentleman reads my hon. Friend the shadow Chancellor's Mais lecture on the new economic model when he goes away from the Chamber?

David Wright (Telford) (Lab): It will only take a few seconds.

Mrs. Gillan: Actually, it will take a little longer, as it is a very worthy document. It proposes a

"new system of financial regulation, with the Bank of England back in charge of controlling the overall level of debt in the economy",

and a

"new fiscal policy framework, with an independent Office for Budget Responsibility".

The document also makes it clear that phase 1 of our approach will be the independent OBR, and phase 2 an emergency Budget within 50 days. On phase 3, it says that

"over the Summer we will work flat out to conduct the detailed departmental Spending Review for the years after 2011".

I recommend the lecture for the hon. Gentleman's reading.

Lembit Öpik: It is my birthday next week, so perhaps the hon. Lady will send me a bound copy. If she does, I assure her that I will read little else between now and 6 May.

Once again, however, the hon. Lady remains silent on the core point that I am making—had the Government been Conservative, the banks would have failed. A Conservative Government would have stood by and done nothing to prevent that.

Mrs. Gillan: Will the hon. Gentleman give way?

Lembit Öpik: I am willing to give way if I have misunderstood what Conservative policy was at the time, but I doubt whether the hon. Lady can say anything different.

Mrs. Gillan: What I want to say is simply that my hon. Friend the shadow Chancellor of the Exchequer supported the rescue of the banks.

Lembit Öpik: We need to go back to the evidence. About two decades ago, the pound started falling in the exchange rate mechanism. What did the Conservative Government do? They threw away £12 billion, because they were vacillating and did not know what they needed to do to protect sterling. That cost my constituents £20 million in one afternoon. So we do not have to go very far back to see that, when faced with a high-pressure decision that needs to be made in a hurry—exactly as happened with the banks—the Conservatives failed to come up with the goods.

The hon. Lady can believe anything she wants, but the record shows clearly what was said at the time. My judgment is that the banks would have been allowed to fail, had there been a Conservative Government in charge. That would have stopped us being a banking behemoth in the world, and turned us into an economic banana republic. This country's economic credibility would have failed.

The outcome could be even worse, now. Perhaps the hon. Lady will correct me if I have misunderstood the Conservative promise to sell off shares in the banks owned by the Government. They are the very asset that stand to pay off a large proportion of the debt. We all understand how that works: the shares were bought at a very low price and they will accrue value over time as things—hopefully—improve.

We are talking about the shares accruing value to the tune of hundreds of billions of pounds. We do not need to be economists to work out how the value gained should be used, as the matter is self-evident, but we need to think twice when the economic policy of a Government in waiting is to sell off the assets when they are cheap.

There is another irony. How many times have we heard the Conservatives criticise the former Chancellor and current Prime Minister for selling gold when it was low in value? In my judgment, that was a mistake, but the Conservatives are about to commit an even bigger mistake by selling those shares at this time. That could cost the constituents of Montgomeryshire as much as £200 million.

There is another problem. If the Conservatives sell off those shares, they will have to find money from somewhere, but how will they make it? With a colour photocopier? I do not think so. They cannot depend on alternative sources of income, [illegible] will not have an opportunity—a magic box—to [illegible] in order to fill that void. If they sell off the shares cheaply, the practical consequence for Montgomeryshire, Wales and, indeed, the whole country will be a tax increase higher than the one we already anticipate. We would also be likely to see more severe cuts in public services.

I did economics at university for a period, and I see very clearly that we cannot pretend to have money that does not exist. Will Conservative Front Benchers please, therefore, clarify the economic logic—let alone the morality—of selling off the very shares on which any Government of any colour will depend in order to accrue assets to pay back some of the debt? I am happy to give way if the hon. Lady can do that.

I was also confused earlier, because I did not receive a satisfactory answer to my question about the minimum wage and a minimum income. For a long time, the Liberal Democrats have supported the idea of a minimum income, and for one glorious moment I thought that the Conservatives supported it, too. If I put together the answers that I received, however, it seems that under a Conservative Government the Montgomeryshire public could depend on neither serious support for the minimum wage nor support for a minimum income. I do not know where that would leave the least well-off in my constituency, but it leaves me very worried that the safety net, which has been introduced and has been quite successful under this Government, would be removed.

I am very fond of the hon. Member for Monmouth (David T. C. Davies), who is an outstanding character. We have had some entertaining times together in his constituency and he is welcome to come to mine any time he likes, but for him to accuse others of rewriting history and then declaim that the Conservatives supported the idea of a national health service is probably the most laughable commentary since Lieutenant-Commander Woodroffe's inebriated BBC broadcast from the royal naval review at Spithead in 1937. *[Interruption.]* Which I thoroughly recommend.

Mr. Paul Murphy: Tell us what he said.

Lembit Öpik: I am sure that YouTube will get a spike this evening.

The idea that the national health service is safe in Conservative hands ignores the lessons of history and the thousands of beds that were lost under the previous Conservative Administration. I have had to work very hard with local communities over the past 13 years to protect what we have, and I just do not believe that it would be easy to do so under a regime that, presumably, would have some bearing on Conservative policy and, at least, distantly echo past Tory behaviour.

David T. C. Davies: I suspect that I would be quickly ruled out of order if I were to follow the line that I want to. The hon. Gentleman is fair-minded, and he and I have supported important road safety campaigns in Abergavenny in order to prevent people having to use NHS facilities, but surely he does not believe that prior to 1945 people were left to drop dead in the street. I do not believe that, not least because one of my grandparents was a doctor, and they made a point of ensuring that all those who needed health care got health care, whether they could afford it or not. It is a calumny on all those who served as doctors prior to 1945 to suggest otherwise.

Lembit Öpik: There is a contradiction in the hon. Gentleman's comment. First, he implies that we do not need the NHS, and perhaps that is a more prescient observation of the Conservative party's true feelings towards the NHS than anything else that has been said. Secondly, and to answer his point directly, there was rudimentary provision for the general public before 1945, but the whole point of the NHS was that people who could not afford health care died sooner. Indeed, as a direct result of the NHS, life expectancy has measurably improved in this country.

David T. C. Davies: We have only to look at the hospitals in London to know that we have been building hospitals for people who could not afford health care since about the 14th century. Surely the hon. Gentleman recognises that.

Lembit Öpik: We did not have an NHS in the 14th century. If we look not at the 14th century but at the early 20th century, we see a direct relationship between wealth and life expectancy. Sadly, there still is one to an extent, but the differential has been reduced.

It is interesting that we are arguing about whether we should have an NHS or not. That, I am afraid, is the debate that we might have under a Conservative Government. I do not suggest that, realistically, the Tories would demolish the NHS, but there would be much greater dependence on the private sector, and the differentials would increase. There is no private hospital in Montgomeryshire, and most of my constituents could not afford to go to one. I am concerned that our difficulties with access on a cross-border basis to the Royal Shrewsbury hospital would increase if that change of Government took place.

My other concerns relate to other issues, although I shall not go through every single one. Wind turbines are a big issue in my constituency. I am on the record as being sceptical about the benefits of having mass wind farms plastered all over my constituency, given that they produce a relatively minuscule amount of power in comparison with the disruption that they cause.

There is a particular problem with the transportation of the thousands of lorry loads that go through my constituency. I have sought clarification in the past, but I still do not know whether there would be a change in policy if there were a change of Government. I would be very happy to praise the Conservatives, if they said that they supported my position—that is, that my constituency should not be modified into one giant wind farm.

I happen to be pro-nuclear, although my party is not; I hope to persuade others in my party to take my position. I am sure that wind turbines on the scale that I am talking about will do more harm to my constituency than good for the environment.

Mr. David Jones: Does the hon. Gentleman agree that the problem with onshore wind farms is the Welsh Assembly's technical advice note 8, or TAN 8? That imposes a positive presumption in favour of wind farm development, and it is virtually impossible to challenge.

Lembit Öpik: I have problems with TAN 8 as well. The first is the presumption that the hon. Gentleman has described. The second is the designation of specific areas, which necessarily masses wind farms in places such as mid-Wales. I hope that I will persuade others in the Chamber to take a new look at wind turbines, which generate the most expensive electricity that we produce. As I have said, I see nuclear power as an alternative. I certainly do not see turbines on the scale that I am talking about as doing anything other than harming the aspect of my community and causing disruption for up to seven years, while they are constructed—and for relatively little benefit.

Incidentally, I applaud Plaid Cymru's elegant solution to the nuclear debate: as I understand it, the party is implacably opposed to nuclear power, except on Anglesey. I salute the tidiness of that position.

What action should we take to resolve the issues in Montgomeryshire? It is a matter of hard graft. All Members know how demanding our case loads are as a direct result of the circumstances in which we find ourselves. However, I can report some good news, which I mentioned in an earlier intervention. Newtown was looking at 180 job losses as a result of Shop Direct's downsizing of its call centres. Following considerable work with Shop Direct, Joy Jones, the outstanding mayor of Newtown, and the Union of Shop, Distributive and Allied Workers, which has been very proactive, I am happy to report that Shop Direct has changed its position and postponed any closure until December. That gives us room to breathe. I hope that we can find a long-term solution with Shop Direct or with another company that takes over the business.

The outcome is also a credit to Ministers. I came to the Wales Office in urgent need of support, and I am happy to say that the Secretary of State and Under-Secretary could not have been more helpful; I am really grateful for their support. I should also mention the Prime Minister, who expressed his support at Prime Minister's questions and took action behind the scenes. That was a cross-party success story and 180 people still have their jobs thanks, in part, to the Government's work.

Similarly, I got support from Ministers in the case of Regal Fayre, a new company setting up in Montgomery that could produce up to 100 jobs in time. It was a collaborative effort, in which Finance Wales and the Welsh Assembly Government were very supportive. Lord Mandelson, the Secretary of State for everything, also supported us and made some direct interventions when we were having trouble with finance.

Now let me say something that is slightly unfashionable: I found RBS very helpful on this occasion. It relaxed some of its conditions in order to make the loan that was required. That took months to arrange, but had RBS not come good in the end, we would not have these jobs. Not everything that the banks are doing is all bad. I am pleased to report that another small business facing closure was helped by HSBC personnel coming to a meeting—I was there as well—and renegotiating the debts of that business. There are some glimmers of hope and good examples of the banks responding to the political direction that has been requested by the Government.

I have to make a point of a very parochial nature. Despite rumours to the contrary, Carpetright in Newtown is not closing, so could people please stop going in there looking for the closing down sale? The people there are perfectly happy, and it is probably a rumour spread by somebody else.

On schools, I hope that we have a period of calm in Powys when we look at the issues on a more rational basis. The councillors ultimately have to make the decision, but it seems clear to me that no high school in north Powys should be closed. The bigger threat is to the sixth forms, and that is where the debate most usefully lies. I am pleased to see that local community groups, parents and teachers are leading the campaigns in each of the six high schools in my area, which is as it should be. The less politicised and the more rational this is, the better for all concerned.

I am very concerned about mental health provision in Powys. We cost ourselves far more than we save by not having appropriate mental health provision in mid-Wales.

I hope that over time Ministers can have conversations with their opposite numbers in Cardiff to see whether we can make a direct intervention and provide a much more acceptable level of service.

Newtown is currently suffering gridlock, because the council "improved" the traffic management in the centre of the town. When it switched the lights on, it more or less switched the traffic off. An appreciable part of the work over the next few days will be trying to convince it to go back to where we were before with a roundabout instead of lights. Such issues are not glamorous, but they preoccupy MPs most of the time. I may have to call on Ministers once again if the council is intransigent and bloody-mindedly refuses to heed the obvious distress of a community that is unable to drive from one side of a small town to the other.

The election will obviously be on 6 May, and we all look forward to a new Parliament and the new challenges that it will bring. For my part, I can only conclude with the words of my hon. Friend the Member for Ceredigion (Mark Williams), who turned to me earlier and said, "Actually, this is a pretty wonderful job, isn't it?" For all the difficulties, troubles and challenges, I still think that it is a noble profession. It is still an honour to serve here, working together with my local Assembly Member, the gentle giant, Mick Bates, and his soon-to-be-successor in 2011, Wyn Williams, the outstanding politician of his generation, who are up for the challenge. I am proud of my team in Newtown and proud of the constituency that I represent, and I hope to do even more if that is the will of the people of Montgomeryshire.

4.38 pm

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): It is always interesting to follow the hon. Member for Montgomeryshire (Lembit Öpik), who always aims to entertain, if not to inform us about Liberal Democrat policy. I am reminded of a story about the late Lord Howells. When he was the Member for Ceredigion, he announced at a public meeting that Liberal Democrat policy on water was that it should all be free. Afterwards he was challenged about this and told that it was not Liberal Democrat policy, and he said, "No, but it should be." I have a feeling that the hon. Gentleman is following his policy in that regard.

Lembit Öpik: With the exception of the fact that I always highlight party contradictions as I go along.

Nick Ainger: My right hon. Friend the Member for Torfaen (Mr. Murphy) referred to his first contribution to the Wales day debate back in 1988, which reminded me of my first such contribution in 1993. I am not sure whether it was on 1 March, but it was close to it. I could not make a very positive contribution, because of the situation that my constituency was in. The second recession under the Conservative Government had hit my constituency particularly hard. From 1981, Pembrokeshire basically stayed in recession. There was a second recession in the early 1990s, and by January 1993, the Pembroke and Tenby travel-to-work area, which is basically the south Pembrokeshire part of my constituency under its current name, had the worst unemployment not only of any part of Wales but of any part of the UK. More than 2,600 people there were claiming unemployment benefit.

I think back to those days, when I looked for help for my people in my constituency who were facing repossession and those who had lost their jobs, and help was there none. The Government did not change the rules on support for mortgage interest payments, as the current Government have—the waiting period was 39 weeks then, and now it is 13 weeks. That has been a major contribution to keeping people in their homes. There was no future jobs fund and no new deal then, and so no real help for the unemployed. It was a tragic period for many individuals who lost not only their job but their home.

The difference between that home-grown recession and the global recession that we have faced over the past 18 months is that Government reactions have been a world apart. I am absolutely confident that the measures that have been taken, which my right hon. Friend the Secretary of State listed—the car scrappage scheme, the tax deferral, the future jobs fund, help for people to stay in their homes and so on—have had a significant impact on reducing the effect of the recession. As others have said, even after this deep recession, unemployment levels are still a lot better than they were back in the 1990s.

The hon. Member for Preseli Pembrokeshire (Mr. Crabb) said that we always get such arguments in these debates and in the Welsh Grand Committee, but it is worth remembering that the policy decisions in the two circumstances were completely different. They were taken by two different Governments and, as I have said, the way that Government decisions have helped people in the current experience is worlds away from what happened in the early 1990s.

I do not recognise the description of some parts of Wales that certain Opposition Members have given when talking about their constituencies. As I have travelled around Wales, as an individual Member and formerly as a Minister, I have seen the investment that has taken place on an unprecedented scale. I can give examples of services that have been provided in my constituency and elsewhere. There is the new Tenby college hospital, the £8 million refurbishment of the Pembroke Dock hospital, the new A and E at West Wales general hospital, the brand-new £30 million-plus Carmarthen high school, the upgrading of primary schools and the building of new ones in Jeffreyston, in Pembroke Dock and throughout the area. There has been huge investment in Pembrokeshire college, in the constituency of the hon. Member for Preseli Pembrokeshire. New schools are being built; there is a new A and E unit and other development at Withybush general hospital; and a brand new leisure centre recently opened in Haverfordwest. That is my experience of west Wales.

The hon. Member for Preseli Pembrokeshire complains about the need to upgrade the A40, but as I speak, a completely new section is being upgraded. Admittedly, it is not a dual carriageway, but unfortunately, the traffic flows do not require one. I would have loved to see a dual carriageway there, but I am a pragmatist. We get what we can afford, and unfortunately, we do not have the resources to dual that section of the A40.

Albert Owen: My hon. Friend will be aware that the port of Holyhead is now linked via the A55 all the way to Chester, but for a period in the 1980s, it stopped on the Anglesey side of the bridge—it was not completed by the Conservatives owing to a lack of money. It took a new Government to deal with that, albeit under the

[Albert Owen]

private finance initiative, which I was uncomfortable with, but we now have a completed A55. It is therefore a little rich for Conservatives to say that they are all for linking ports by dualling roads, when they had 18 years to do so but failed.

Nick Ainger: Indeed. My hon. Friend makes his point very well.

We can be incredibly proud of what we have achieved in the past 12 years or so. We have seen real improvements in the quality of the services that are provided to our constituents, including in health and education, and we have been able to encourage employment. That we have maintained relatively low interest rates has been a huge assistance to small businesses. Back in the 1990s, interest rates were 15 per cent., and mortgage rates were even higher, which had a huge impact on our constituents' quality of life and the viability of businesses. There has been a big change, and we ought to be honest with ourselves about that.

The deficit that we face is clearly a major issue. As a member of the Treasury Committee, I have heard of the effects and causes of the global recession in individual economies in the United States—which the Committee visited a couple of weeks ago—Frankfurt, Austria and Hungary. There was a common theme. Countries throughout the world recognise, thank goodness, that at the time of the collapse of Lehman Brothers, there was co-ordinated action, which was led, I must say, by our own Prime Minister. The major part he played in forming a consensus and driving through the necessary action is acknowledged around the world. The good news is that the world responded in a co-ordinated way, and that we did not enter a serious depression, which we easily could have done. As the hon. Member for Montgomeryshire said, banks could have closed, and people might not have been able to withdraw their deposits, or get cash from cash machines. That was the reality we faced in autumn 2008, but co-ordinated global action prevented those things from happening.

There are two reasons for that, the first of which I have raised before in the House. Because of the crisis that followed the collapse of Lehman Brothers, it is not recognised to the extent it should be that from late 2007 to mid-2008—less than a year—we had the biggest spike in energy prices the world has ever seen. Oil went from around $70 a barrel to nearly $150 a barrel, which was unprecedented. That had a serious impact, as did the rises in commodity prices for food, other forms of energy and materials such as metals. Following that serious global problem, and building on it, came the credit crunch and the global banking crisis. We must tackle that issue. We must try to prevent the commodity exchanges getting out of control as they did. There is something wrong when the Governor of the Bank of England writes to the Chancellor to inform him that the consumer prices index has risen to 3.5 per cent. and one of the three reasons he gives is that oil prices went up by 70 per cent. in 2009—during the deepest recession that we have seen. Energy prices should have been falling as demand was falling. Oil prices should have been falling or at least not reached their current level.

We need to tackle this problem globally and have complete transparency on the commodity exchanges so that we do not have the speculative activity that has caused that particular problem. The good news is that the US and other countries consider this to be a major issue and the IMF is also looking at it. It will take co-ordinated global action.

The hon. Member for Chesham and Amersham (Mrs. Gillan) mentioned the RBS bonuses, and said that only those earning less than £39,000 would receive a bonus—

Mrs. Gillan: According to the Lobby briefing.

Nick Ainger: Well, the Lobby briefing was wrong then. Those earning less than £39,000 will receive their bonus in cash. Those earning more will receive their substantial bonuses in the form of shares paid over three years, but if their performance over that time is deemed to have fallen off, the bonus will be clawed back. The overall performance of the institution will also be taken into account.

Those arrangements are in line with the G20 recommendations. However, the bonus culture has to change. There is a massive disconnect between the financial services industry and the rest of the real economy. People stand aghast when institutions that have caused them personally to lose their jobs, see their businesses close and, in certain circumstances, lose their homes, still have a culture of so-called performance-related pay, with massive bonuses, the like of which is not replicated in any other industry. If someone is paid £250,000 or £500,000 and their wages are doubled, tripled or even quadrupled, I cannot see how they can work any harder. There are only 24 hours in a day and seven days in a week. I cannot see how these huge alleged incentives can actually act as any incentive at all.

Mr. David Jones: The hon. Gentleman refers to the real economy to distinguish it from the banking and financial sector. But is it not the case that the banking sector has mushroomed exponentially under the Labour Government, whereas what he would presumably call the real economy—manufacturing industry—has declined in Wales by a third?

Nick Ainger: I am not sure whether the hon. Gentleman is suggesting that we should take the axe to the financial services sector. I am sure that his friend Boris Johnson, the Mayor of London, would take serious exception to that. To be fair, we have seen a significant expansion of financial services in Wales, and Admiral is a very good example of that. I am arguing not that the financial services sector should be cut, but that we need to rebuild the real economy.

The International Monetary Fund is absolutely right to say that countries should not cut spending until the recovery is well in place, but my understanding, from the shadow Chancellor's speech last night, of Conservative policy this week—I am not sure what it will be next week, because it seems to change regularly—is that he still wants to cut spending as soon as possible to address the deficit, if, God forbid, a Conservative Government are elected in May. However, the IMF is clear in saying that countries around the world should be very careful about the timing of spending reductions. The recovery is very fragile, not only in this country, but in the United States and throughout the eurozone, where the growth

rate is now 0.1 per cent.—the same as ours. It would be incredibly foolish and naïve to start a programme of cutting back expenditure. The fear, rightly expressed by the IMF, is that the world could be plunged back into recession—and of all that that means.

A high proportion—about 36 per cent.—of those constituents of mine who are unemployed have a background in the construction industry, which is a far higher proportion than for virtually any other area in Wales, and possibly the UK. This Monday, there was a demonstration outside the Pembroke power station site demanding a high proportion of British jobs for British workers and so on. It was believed that a high proportion of the 500 people currently building the new power station were not UK residents. In fact, the information provided by the main contractor indicates that more than 90 per cent. of the work force are from the UK, with 40 per cent. from Pembrokeshire and nearly 60 per cent.—57 per cent., I think—from Wales.

There is an issue though. As a result of the winding down of two major liquefied natural gas site projects, a high proportion of people are seeking work on that site. I think that we can see a real improvement in how people are notified of vacancies, and that the recruitment system can be radically improved. I hope, therefore, that the contractors, including the main contractors, together with the main client, RWE, are considering that issue, so that many of the opportunities presented as the site develops can go to local people with the right skills and experience, which have developed in Pembrokeshire over its many years of dealing with the petrochemical industry.

I want to make a general point about the engineering and construction industry. I declare an interest: I am a member of Unite and my constituency receives support from the Union of Construction, Allied Trades and Technicians. We have a huge opportunity, particularly in Wales, but throughout the UK as well, in the engineering and construction industry, with the decarbonisation of power generation over the next 10 or 20 years. People are talking about £20 billion—at least—in investment in new gas-fired power stations; in new coal-fired stations with carbon capture and storage; in nuclear power, such as that produced at Wylfa; in a massive increase in offshore wind and tidal energy; and even in the Severn barrage, if that comes off. There are massive opportunities that the engineering and construction industry should be able to benefit from and which should increase our work force.

Those opportunities are as great as when North sea oil was being developed in the 1970s, so we need to maximise the number of UK companies that win those contracts and employ UK labour. The alternative is what happened at the Lindsey oil refinery at the Staythorpe power station, where UK contractors were unsuccessful in certain parts of the contract, and labour from Spain and elsewhere was brought in to carry out part of it.

The Gibson report, which was published in December, highlights what needs to be addressed. The recommendations are quite clear. One of the issues is that we have an ageing work force in the engineering and construction industry, with 65 per cent. of the work force being over 40, and 41 per cent. being over 50. We need to bring young people into the industry. One of the recommendations of the Gibson report is that we should double the number of on-site apprentices, from 500 to 1,000, by 2011. There are also clear problems with productivity and, in particular, the supervision and management of contracts, and clear recommendations are made about that.

However, I want to emphasise again how we come out of the recession and how we can build and develop on the basis that exists now, and move into sustainable recovery. Part of that will involve decarbonisation of power generation. There are huge investments to be made, and Wales can benefit hugely from those. RWE is the main developer for the massive wind farm on the Bristol channel. We have seen Wylfa being replaced, as well as the gas-fired power station in my constituency, and there is a new power station in that of my hon. Friend the Member for Newport, East (Jessica Morden). There is a range of opportunities for various forms of tidal power. That is the way to grow out of the recession; that is the way to recovery. I fear that the alternative posed by the Conservatives could see my constituency returning to the position that it was in during the early 1990s.

5.2 pm

Mark Williams (Ceredigion) (LD): Given the time and the fact that a neighbouring hon. Member and friend, the hon. Member for Ynys Môn (Albert Owen), wants to speak, I will be very quick.

I want to raise three or four issues relating to Ceredigion, all of which are economic in nature. The first is funding for higher education and research in Wales. I am concerned that the suggested restructuring of the Institute of Biological, Environmental and Rural Sciences at Aberystwyth university raises the prospect of up to 70 job losses. That is a blow not only to those individuals and the economy of north Ceredigion, but to the Welsh research base. Given the circumstances—a shortfall of £2.4 million and a changed emphasis in research funding priorities—I should say from the outset that I understand the rationale behind the university's strategy, but that does not mitigate the blow that north Ceredigion will face. This has been an ongoing saga, affecting the funding of the plant breeding station, of which my noble Friend Lord Elystan-Morgan reminded me, the funding of the Institute of Grassland and Environmental Research and now the funding of IBERS.

In the wake of the emergence of IBERS—the merger of IGER with Aberystwyth university, with significant funding from the Welsh Assembly Government, which has been greatly welcomed—we faced early concerns about the high expectations of the university's capacity to compete in the global environment. I am sure that the university has the potential, the hope and the experience to compete from a global perspective, but there are great concerns among the work force. IBERS has chosen to focus its core research on the necessary areas of climate change, biofuels and food security—a narrowing of its research. They are major issues now and they will be major issues in the foreseeable future, but my concern is that we will lose the broad research base and that the new focus could be too prescriptive. I have no doubt that the expertise at IBERS will ensure that it remains competitive in the global market, but I worry that the agenda of the Secretary of State for Business, Innovation and Skills, in pursuing a narrow set of objectives for universities, will expose further education and research to many commercial pressures.

There is also a broader picture, involving the relationship with the UK funding councils in their provision of

[Mark Williams]

research funds. The university of Aberystwyth has always had a good relationship with the Biotechnology and Biological Sciences Research Council. However, Wales receives only about 3 per cent. of the £2.8 billion that is distributed by the UK research councils. Applications should obviously be assessed on merit but, given that Wales accounts for 5 per cent. of the UK population, it is reasonable to ask why Welsh higher education institutions underperform in terms of research funding. That point was raised by the Welsh Affairs Committee, of which I am a member, and I believe that it needs to be highlighted again.

IBERS offers outstanding value, not only to my constituency but to Wales as a whole. It provides a core base of 300 skilled jobs. We used to be an objective 1 area, and we need those skilled jobs. I would be grateful if the Minister could tell me what representations he has made, and what plans he can outline for the institute's future. I understand the university's strategy and its need to focus its research on the new environmental agenda, but we must none the less take a broader perspective on the research base.

The Secretary of State mentioned the delegation of businesses from Cardigan that came with me to see him yesterday. Those business people had three fundamental concerns. A survey in the *Daily Mail* a year ago looked at the balance between public sector jobs and small enterprises across the UK as a whole. Surprisingly, given that it is a large rural constituency, Ceredigion was in the top 10, with 40 per cent. of our jobs coming from the public sector. There are great pressures relating to education at the moment, as I have said. We rely on our county council and the national health service for jobs. We also have a huge reliance on small businesses.

The business people of Cardigan were concerned, first, about the potential impact of the increase in business rates, despite the remedial action that has been taken by the Assembly Government. It is clear that large areas of Wales are suffering as a result of the revaluation process, including Aberystwyth and Cardigan, and I know that my hon. Friend the Member for Montgomeryshire (Lembit Öpik) could highlight areas of his constituency that are suffering as well.

Our meeting with the Secretary of State was very positive, and, to his credit, he agreed to take up these concerns with the First Minister. Some of the figures involved are quite staggering, with businesses facing increases in their business rates of between 25 and 40 per cent., sometimes equating to about £7,000 a year. The highest reported increase in Cardigan was £12,000 a year. In a small town whose economy is reliant on small businesses, such figures can make the difference between having staff in a business and losing it completely. I wish the Secretary of State well in his deliberations with the First Minister. We need this point to be made, because the general feeling is that many businesses that face very high business rates are being ignored.

Those attending the meeting yesterday also made the point about the lack of a threshold on corporation tax. For a business that is just starting to be profitable, that is a kick in the teeth, and it makes the growth of a small business harder to achieve. The Secretary of State promised to raise that issue with the Chancellor, and I look forward to hearing the response that he gets.

We have heard a lot about the banks. At yesterday's meeting, we heard stories of solvent businesses with good prospects wanting to expand, but having to turn down loan offers because the interest rates being offered were as high as 10 per cent. That is wrong, and it is bad for the economy. People do not understand the mismatch between state ownership of a bank and the way in which they are being treated on the high street. We are experiencing particular difficulties in securing mortgages on affordable section 106 properties, which is undermining attempts to expand affordable housing. I had a young couple in my constituency surgery last week. They had been promised a deal by one of the high street banks, but the terms of the deal have changed and they will now lose the property because they have no access to the 20 per cent. deposit that the bank is demanding of them. They had been saving for the past seven years to realise a deposit, but that property is now beyond their means because the bank has changed its tune.

The third issue that the small businesses raised was broadband provision. How many of my small businesses can function without it? This is not an issue about broadband speeds; the problem is one of no broadband provision at all. Of course we welcome the Government's commitment to the universal service obligation but, as this week's Business, Innovation and Skills Committee report identified, we do not yet have a mechanism to deliver broadband across Wales and the rest of the United Kingdom.

Briefly, I want to talk about the legacy of the post office closure programme. I recently hosted a reception by Consumer Focus Wales, which has drawn up a report on the matter. To be fair, hon. Members from all parties attended the reception to listen to its concerns. Many of us remain implacably opposed to the post office closures that took place, and we all share a desire to see the remaining network thrive. However, the report found that the most disadvantaged communities in Wales have lost out, and that those closures have broken many community ties: elderly people, consumers with disabilities, those with long-term sickness, those on low incomes and those who rely on public transport have found it more difficult to access services. Many of my constituents have had that experience. Outreach services have had teething problems, and the Government still have a job to convince us that they are not just a staging post to future closures. Hours of operation do not match up with public transport services and they make it difficult for many to access the post office, or post office van, and there have even been incidents of vans not being able to find a place to park.

I welcome the Government's decision to consult on additional funding streams for post offices, particularly the creation of a Post Office bank, which I support. The Minister will surely understand the cynicism of many who feel that the move should have been made before closure, not after. There was a huge mismatch at the time of the network change programme. On the one hand, there was the spectacle of closures, and on the other, there was the National Assembly sensibly and wisely creating the post office diversification fund, for which I pay tribute to it. People could not understand why those things were not working in sync. I wish only that the UK Government had taken the lead of the National Assembly on that.

My final point is a parochial but important one for my constituents. We had assurances that the Driving

Standards Agency would continue to look for a suitable site for motorcycle testing facilities in west Wales, so that my constituents would not have to travel to Swansea or Shrewsbury. We had meetings with the chief executive and the Minister with responsibility for road safety, I initiated a debate in Westminster Hall, and an assurance was received that the DSA would continue to look for a site in mid-Wales. A letter from the DSA last week says that it is now giving up on that attempt. Will the Minister speak to his colleagues in the Department for Transport and the DSA, preferably before my meeting with its chief executive in the week after next, to see what can be done? We need such a facility.

In many ways, that epitomises how many of us feel in west Wales—that we are still on the periphery, still left out, and still forgotten. I will not be completely pessimistic; there has been good news. There has been more money in schools in Ceredigion, and there are encouraging signs about investment in the national health service. However, there is still a lot to do. If our National Assembly is to mean anything, particularly when we hand over powers—I hope that we have our referendum next autumn—it must be for the whole of Wales, not just the M4 corridor.

5.13 pm

Albert Owen (Ynys Môn) (Lab): It is a pleasure to follow the hon. Member for Ceredigion (Mark Williams). I am grateful for his work in support of my private Member's Bill, the Grocery Market Ombudsman Bill, which will be before the House next week. I will shorten my remarks, as I look forward to listening to the hon. Member for Carmarthen, East and Dinefwr (Adam Price), if he catches your eye, Mr. Deputy Speaker, as it will probably be his last chance to speak in a Welsh affairs debate. I pay tribute to him and other hon. Members who are voluntarily stepping down. He and I were elected on the same day, and we agree on many things, particularly social policies. We do not agree on the constitutional issues, which I will let him develop in his speech. I wish him well in his new chosen career.

I also want to pay tribute to our armed forces in Wales, especially those on active service overseas in Afghanistan. I pay special tribute to the Royal Air Force and the excellent job it does. Many of its members have been trained in my constituency, in RAF Valley on Ynys Môn, which is now a centre of excellence and has seen a lot of investment for the future, for fast-jet trainers, pilots and search and rescue.

I was going to be very positive about the future, but I must take issue with a comment made by the hon. Member for Chesham and Amersham (Mrs. Gillan) about Anglesey Aluminium. She perpetuates the myth that too little too late was done to help that company—the opposite was the case. The company was given a great deal of help for about 10 years. In the late 1990s, a moratorium on gas was lifted to help it to develop a project enabling it to have its own source of energy, but it chose not to pursue that avenue. It then looked to the main grid for its electricity supply, but the market was high following a spike in prices—as my hon. Friend the Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) pointed out—and that put it off.

The company then considered using biomass to bridge the gap. Assistance amounting to some £48 million was due to it. Having talked to senior Conservatives, I know that they were not prepared to match public investment to help the company. It is disingenuous of the hon. Lady, on behalf of her party, to suggest that too little was done too late, given that the Conservatives' policy was not to intervene to assist the company.

Mrs. Gillan: Given that the £48 million was forthcoming from the hon. Gentleman's party and his party is still in government, may I ask whether it is still going into Anglesey's economy?

Albert Owen: That is a very churlish remark. It shows that the hon. Lady does not appreciate the amount of effort that was put into helping the main employer, which had been there for some 30 years and had put some £14 million per annum into the economy. It was the company's decision, on commercial grounds, to pull out. I am certain that the next Labour Government will put a great deal of money into Anglesey, as have Labour Governments over the past 13 years. If the company had taken up the offer, it could have continued to produce quality aluminium smelting for the future, but it chose not to do so.

I want to say something about the green economy and green tourism. My hon. Friend the Member for Carmarthen, West and South Pembrokeshire talked about decarbonisation, and I think that Wales has an excellent opportunity to pioneer the process. That would bring quality jobs to Wales, and to my constituency in particular.

We have a fantastic asset in Wales which we must promote to attract tourism, which is a very important industry. Some £215 million has gone into the local economy of Ynys Môn from tourism alone. That equates to the employment of about 4,000 full-time equivalent workers to develop what I think is a very good product. Last year was a difficult year for the economy throughout Wales and especially in my constituency, as well as in the rest of the United Kingdom. We should applaud the resilience shown by the tourism industry. It had a difficult time, but it took advantage of the rate of the pound against the euro to promote Wales, including Anglesey.

Last March I held an Anglesey day in the House of Commons, which was a showcase for Ynys Môn. I think it important for us to highlight the positive assets of our constituencies. I am not merely being parochial. Anglesey is the gateway to Snowdonia, and many great activities take place there. We have scenic beauty in north Wales, and a proud history, culture and heritage. We have a unique brand in Wales, and I think that we should sell it around the world. We should all work together to promote the great outdoors. There is a vibrant market not just for overseas visitors, but for visitors from the home nations and the regions of the United Kingdom.

The trend is in favour of the short stay rather than the long holiday, and we must improve our infrastructure accordingly to ensure that people can travel. The hon. Member for Preseli Pembrokeshire (Mr. Crabb) is right: we need to enable people to reach the coasts and the beauty spots of England, Wales, Scotland and Northern Ireland. I was going to go into greater detail, but I am conscious of the time. I could speak for hours about the beauty of Wales and about Ynys Môn, the mother of Wales. I think that everyone who visits Wales should visit the mother of Wales while they are there.

[Albert Owen]

Green energy has fantastic potential for the future. The low-carbon future will be good for the economy, the environment, and the energy security of our country. As other hon. Members have said, over previous decades we have been too reliant on the dash for gas, and we have not invested as much as we should have in other areas. That is changing, however. Since entering the House, I have been involved in the scrutiny of a number of energy Bills, and we have put in place mechanisms for growing both renewable and nuclear energy in the future. I believe in a rich, diverse energy mix that includes renewable energy, nuclear energy and clean coal, as well as energy efficiency measures.

I think Wales can take advantage of an opportunity here. I have been promoting Anglesey as Britain's energy island, because we now have a great tradition of nuclear generation, and we have also had windmills. I feel sad when I hear hon. Members talking in terms of either/or. I think we need both types of energy. Anglesey has been a pioneer in nuclear, and it also houses wind farms on land. I also think there is great potential for a round three, in which Anglesey has responsibility for the manufacture, assembly and maintenance of the new area proposed by Centrica between the Isle of Man and the Isle of Anglesey. That is important. I do not consider wind turbines to be bird blenders, as the right hon. Member for Witney (Mr. Cameron) said. I think they are important; the technology exists, and it is also improving—I disagree with the hon. Member for Montgomeryshire (Lembit Öpik) about that—and I believe we can get a better return on our money from wind farms. We in Wales should be pioneers in that.

I have been talking to a number of companies that want to invest in Ynys Môn and develop wind farm technology. I have also been talking to companies that want to develop marine and tidal energy. I think we can bring this all together, and have a low-carbon economy with Wales driving it forward, because that will provide the skills for the future; it will provide high-skill jobs not only in construction and generation, but in research and development. Green technology can bring that to Wales, and I want Anglesey to be central to that.

I do not want to talk Wales down; I want to talk Wales up. It has a skills base; it has pioneered in many areas in the past, and it can pioneer in the future. I think that green energy and green tourism are two areas in which Wales can take the lead, and I want Anglesey to be central to that in the future. We need to invest a little more in that, and I hope that the Assembly and local government, as well as this House, can look at the green technologies and green economy and make them central.

Finally, I want to pay tribute to the Isle of Anglesey county council for its help and support in promoting the energy island concept, because I think that will bring real benefits to Anglesey in the future. I now look forward to hearing, perhaps, from the hon. Member for Carmarthen, East and Dinefwr.

5.22 pm

Adam Price: I thank the hon. Member for Ynys Môn (Albert Owen) for his very kind remarks, and I wish him well personally—although I hope he will not put that in his election address. This might be one of the briefest valedictory speeches in history, but I have felt compelled to respond to some of the kind words Members have said about me and about other Members who are retiring from the House; I almost felt as if I was participating in a living funeral at one point.

I particularly want to pay tribute, in return, to the right hon. Member for Islwyn (Mr. Touhig). We have crossed metaphorical swords at times, and listening to him reminds me of a famous remark once made about Saunders Lewis: that even though it was possible at times to disagree with every word that he said, somehow it was a pleasure disagreeing with him. Such is the courtesy and generosity of spirit that has always marked the right hon. Gentleman's contributions, and his personal dealings with me and my hon. Friends.

The right hon. Gentleman referred, characteristically mischievously, to the small add-ons my party managed to insert into the "One Wales" agreement. I have one of them in my hand. The Secretary of State referred to it in his remarks. It is the letter responding to the First Minister on the referendum, in which the Secretary of State says:

> "I have instructed Wales Office officials to take forward the preparatory work on the legal instruments required for holding the referendum".

My party says "Hear, hear" to that.

The right hon. Member for Islwyn referred to the economic problems facing Iceland and Ireland. I am sure that he would accept—some of my forebears came from Cork, and the same is true of the right hon. Member for Torfaen (Mr. Murphy)—that the Irish are a resilient people and one should never underestimate them. I am sure that despite their current difficulties, they will bounce back. That is part of a core truth about small countries everywhere, irrespective of whether they are independent: small countries have to be resilient, and sometimes they have to be agile too. Wales has also had its fair share of difficult times, but we should have resources of hope, as one Welshman from Gwent famously said. That is because through those difficult times, we can retain our optimism that the future will be better than the past, as Idris Davies said.

One can turn around the argument about whether Wales is too poor to be independent. I could say, as indeed the former permanent secretary at the Welsh Assembly Government recently said, that perhaps Wales is too poor because it has been run from outside. My view is that no country has ever ruled another well—that is my philosophical position. I respect the sincerity of the right hon. Member for Islwyn, and all I would say to him is that this interesting debate will continue for many years to come.

In the meantime, this debate has touched upon the central problem of Welsh politics: the relative economic underdevelopment of Wales, which spans generations. One can trace this back to the 1920s and the collapse of the coal price; it has been with us that long. All hon. Members from all parties have to find a resolution to that problem. Of course, it was not always thus. Wales was once the engine room of the world economy. At one point, two thirds of the tonnage of all UK exports left from one Welsh port—Cardiff. So we have had better times and there will be better times in our future too. Where was the first £1 million cheque signed? It was signed in Cardiff. Wales has been more prosperous in the past and it will find a more prosperous future.

A number of Members have put their finger on the nub of this matter by saying that at this critical time there are opportunities. Part of the reason for the relative underdevelopment in Wales is that the UK economy, from the early years of the 20th century, started to specialise away from manufacturing and into financial services. That is the core of the problem that the UK economy is facing, and we hope that we are seeing that economy being restored to a more healthy balance. Wales is well poised because manufacturing is still a more important part of its economy than it is in the rest of the UK's economy.

So Wales needs to grasp these important opportunities, because the economic statistics at the moment are depressing. Wales is the UK region with the lowest gross value-added per head; it is 10th out of 12 on research and development expenditure; and it is the lowest on private equity and venture capital. Before the shadow Secretary of State claims that that is all the fault of the Welsh Assembly Government or even this Westminster Government, I should say that Wales has lain in that position for generations; this is a deep structural problem in the Welsh and the UK economy. However, that does not mean that we should accept it.

Wales is a small country that needs a big idea. The hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger), my neighbour, put his finger on it when he said that we need to put manufacturing, science, technology and innovation at the heart of our economic future. I wish to see, in the UK in general and in Wales in particular, a decade in which we do that; we should have a decade for innovation, manufacturing and science to build the foundation for the 21st century. At the culmination of that decade, I would like the World Expo—the world fair—to come back to the UK for the first time in about 150 years. It started in this country in 1851 and has been going ever since, but it has not been back to the UK since 1862. Does the fact that we have not invited back the World Expo— the biggest international event after the Olympic games and the FIFA World cup—not say something about priorities?

The World Expo came to Dublin in 1907, when Ireland was still in the UK. Why not bring it to Wales? Why not have the Wales World Expo? Wales, which fired the industrial revolution, could host the biggest and most important world event for the new industrial revolution—the knowledge revolution that was referred to by the right hon. Member for Islwyn. Yes, it will require investment, just as the London Olympics have required investment. As we know, Wales has contributed heavily to that, paying about £436 million. Surely, just as the UK Government have supported the successful Olympic bid and the FIFA World cup bid, which would also be mostly based in London, they could support with central Government expenditure a bid for the Expo made on behalf of the whole UK, but based in Wales.

The Expo could have a transformational effect. The last two—in Hanover in Germany in 2000 and in Japan in 2005—had 25 million visitors. Let us imagine the transformative effect that the event could have on the image and the reality of Wales. It would be a catalyst that would transform our economic prospects and would put Wales on the world map, as it was so clearly 100 years ago.

The bidding round will start soon—it will open next year. Here is a challenge to the Front Benchers from both leading parties: will they back a Wales bid for the World Expo? I am speaking as an ordinary Back-Bench Member of Plaid Cymru, so this is also a challenge to my own party. If I were here after the next elections, in any discussions with either of the two Front-Bench teams, I would seek to make the proposal one of our red lines. Wales deserves this. Generations of my family and those of most other hon. Members in the Chamber contributed with their sweat and too often with their blood to making this state of the United Kingdom the great world economic power that it was. We are not asking for charity but for something that I think we deserve. We are asking for help so that we can help ourselves. We are asking for a foundation for a new economy.

Whatever our political position on the constitutional question, none of us wants Wales to be holding a begging bowl for the rest of this century. We do not want to go cap in hand to anyone, however we see Wales's political future. We want Wales to be able to stand up proud and tall. We have the human capital to do it—the most precious resource that we have is the skills and ability of our people—but we need investment. Let us have that investment in a decade of manufacturing and science. Let us not inspire engineers to go into the City of London, as they have for the past 20 years, to use their mathematics to sell more and more arcane financial products. Let us inspire engineers—Welsh sons and daughters—to do engineering when they come out of university by showing that there can be a productive future for them in manufacturing.

I am optimistic, too—we have to be, do we not, in a small country? As I shall be leaving these shores soon, I want to end by paraphrasing the famous phrase used by the late Robert Kennedy. Some people look at Wales and the world as they are and ask, "Why?" The challenge is to look at Wales and the world as they could be and ask, "Why not?"

5.33 pm

Mr. David Jones (Clwyd, West) (Con): The St. David's day debate this year has been something of a bittersweet occasion: sweet because it is always sweet to celebrate Wales in this Palace of Westminster, but tinged with bitterness, perhaps, at the departure of so many colleagues from both sides of the Chamber.

The debate was also characterised by a trait that, I am afraid, is frequently Welsh—that of looking back. That could certainly be seen from those Members on the Government Benches who, again, after 13 years, sought to analyse what happened under the last Conservative Government. However, in some six weeks' time, the electorate of this country will be called not to go back over ancient history but to take, as the Prime Minister said, a second look—or perhaps a long hard look—at the record of this Labour Government in office.

The Secretary of State was his usual combative self, suggesting what a terrible state of affairs the country would fall into if the wicked Tories were ever to take over the levers of power, but frankly that does not wash any more. Labour has been in charge of the country for 13 years now, and we need to consider what has happened under that party.

Let me consider the speeches that various hon. and right hon. Members have made, starting with the right hon. Member for Torfaen (Mr. Murphy). May I echo

[Mr. David Jones]

the tribute that my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) paid to him? His work as the Secretary of State for Wales was outstanding. His greatest achievement—in his second tenure of office—was to restore the prominence of the Welsh Grand Committee, which is an important institution of the House and is vital for the venting of Wales's voice in Parliament. It is frequently forgotten, since the establishment of the National Assembly, that a large proportion of day-to-day life in Wales is directly affected by what happens here. It is therefore essential that Welsh Members of Parliament have the opportunity to debate relevant issues here. He ensured that the Welsh Grand Committee met regularly, and I hope that his successor continues the pattern that he established.

The right hon. Gentleman talked about the banks, as have many other hon. and right hon. Members. Clearly, the banking system and the crisis within it has been a cause of much of the pain that the country has experienced in the past two or three years. It is undoubtedly the case that immense greed was allowed to impel those who worked in the banks, but, by the same token, it cannot be overlooked that the regulatory system that was established by the Government was defective.

Nick Ainger *rose—*

Mr. Jones: I know that the hon. Gentleman wants to intervene, but I have very little time.

The tripartite system that was established directly by the Prime Minister proved wanting. Indeed, the Governor of the Bank of England commented that although the Northern Rock fiasco could not have been averted, it certainly could have been mitigated if the Bank of England had had direct and overarching responsibility for regulation. That is something that the next Conservative Government will introduce.

Nick Ainger: The hon. Gentleman is doing the Governor a disservice. The Treasury Committee looked at these matters in great detail, and we found that there were major problems with regulation not only in this country but in every other developed country, despite the model being used.

Mr. Jones: The fact of the matter is that in this country we had a tripartite system that did not work. There was no individual or body with overarching responsibility. *[Interruption.]* France, of course, was not immune from what happened. The recession has hit this country harder than any other developed country. We were the first into the recession; we are the last out of it; and our exit is a faltering one. Indeed, it may well be—God forbid—that we are about to have a double dip. We might see statistics in April that show that we have re-entered recession, such is the fragility of the economy. The Government cannot abdicate responsibility for that, as they seek to do.

The right hon. Member for Torfaen also discussed transport. He pointed out that it now takes him one hour longer than it did 20 years ago to drive from his constituency to London. I agree entirely that there should be far more co-ordination between the Welsh Assembly Government and the Department for Transport on the development of transport policy. It is worth repeating what I have said before—it is ludicrous that the Welsh road freight transport policy takes no account of the DFT in London and that the DFT was not consulted about that policy given that most road freight journeys start or end in England.

We heard from the hon. Member for Brecon and Radnorshire (Mr. Williams), who commented, perhaps otiosely, that it was clear from the comments of various Members that there is an election in the offing. I think that that is very clear from most of the speeches that we have heard. He also referred to rural issues. He, of course, represents a rural constituency, and he spoke about the price of fuel there. I am sure that he shares my concern that so many petrol stations in Wales are about to be adversely affected by the enormous hike in rates. If he were present, he would be interested to hear that 27 rural filling stations in Powys will be in danger if the rates increases go ahead without any mitigation. I urge the Welsh Assembly Government to look at that issue.

The right hon. Member for Cynon Valley (Ann Clwyd) bemoaned her lack of a daffodil. I share her pain, but she will be pleased to note that I am wearing my special St. David's day tie. It has a pattern of leeks on a suitably blue background, and I hope that the number of leeks will be echoed by the number of Conservative Members of Parliament elected at the next general election.

The right hon. Lady rightly spoke of the need for compassion towards the unemployed, but it is also true that Wales is more seriously affected by economic inactivity than any other part of the country. In Wales, more than 24 per cent. of the working age population is economically inactive. That is no good for the economy but, more particularly, it is no good for the people involved. I promise her that the next Conservative Government will introduce measures to do everything possible to put those people back to work. People cannot simply be written off for all sorts of work just because they have one, particular medical condition. A truly caring and compassionate Government would look at each individual, assess what they can do and help them to find the work that suits them. I am sure that the right hon. Lady agrees with that.

Among other things, my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) spoke about the recession's impact on young people. They are suffering doubly: they are finding it difficult to get work but, as my hon. Friend so rightly said, they are the ones who will pick up the bill for this recession—and probably their children will have to do so, too, such is the scale of the economic devastation that this country has experienced. Those young people must be intensely depressed by the fact that, having completed their education or training, they cannot find work. Above all else, we must ensure that they are given the opportunity as soon as possible to find the apprenticeships, or at least the work experience placements, that will equip them for the rest of their lives.

We heard from the right hon. Member for Islwyn (Mr. Touhig) who, much to my personal distress, will be standing down at the next general election. He was again combative, berating the Conservative party for the way in which, he claimed, it let down Wales in the 1980s and 1990s. However, may I remind him that the Government of whom he was a member inherited the best and most propitious economic legacy that

any Government have ever inherited? What have the Government done with that legacy? They have frittered it away, and reduced this country to a basket case. The right hon. Member for Islwyn must face facts: I know that he is a fair-minded man, and I am sure that he will be as distressed as I am at the parlous mess that this country now finds itself in.

The hon. Member for Caernarfon (Hywel Williams) spoke about the war in Afghanistan. My hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) paid tribute to the Royal Welch Fusiliers and the sterling service that they are undertaking out there, and I echo her words. I paid a visit to them at Dale barracks, Chester, before they were deployed, and I can tell the House that they were very eager to go there and do their duty. They were looking forward to it not with relish, but with the professionalism that marks out the Welsh military. I do not believe that it would be safe to pull out of Afghanistan immediately, as the hon. Gentleman suggested; I believe that we have a real and proper function to carry out there, and I am glad to see that Welsh servicemen are doing that job. I am sure that we all wish them safety in that important function.

We heard from the hon. Member for Cardiff, North (Julie Morgan), who raised a constituency issue that she has raised on many previous occasions. We also heard from my hon. Friend the Member for Monmouth (David T. C. Davies), who rightly pointed out the one-sided view of history with which we were regaled by Labour Members. He also raised the issue of apprenticeships, which are absolutely vital. We have a dearth of them, and it must be a priority of the next Conservative Government to find apprenticeships.

The hon. Member for Aberavon (Dr. Francis), the Chairman of the Welsh Affairs Committee, was next to speak, and I pay tribute to him for his chairmanship, which has been absolutely outstanding. I also pay tribute to my fellow Committee members for all the hard work that we have carried out. That may sound as if I am patting myself on the back, but after some 43 inquiries and innumerable LCOs, I think that I am entitled to do so.

I must pay tribute to the Committee for the speed with which it has dealt with LCO applications. In passing, however, I have to say that over the past couple of years I have been dismayed by the attempts of certain individuals, particularly the Presiding Officer of the Welsh Assembly, to suggest that the Committee has tried to slow down the progress of LCOs. We have carried out our functions as expeditiously as possible, and we could not have done any better.

We then had an entertaining contribution from the hon. Member for Montgomeryshire (Lembit Öpik), who clearly thinks that the Conservative party is in power, because he devoted most of his contribution to berating it. Indeed, one might even think that he was concerned about a Conservative challenge in his constituency. However, he made one point with which I agree: the planning framework is resulting in the proliferation of wind farms in parts of rural Wales. The TAN 8 policy document is an absolutely pernicious piece of work that needs urgent revision.

We then heard from the hon. Member for Carmarthen, West and South Pembrokeshire (Nick Ainger), who spoke from a position of authority as a member of the Treasury Committee. He, like many Members, referred to the bank bonus culture. We must face the fact that bonuses have been part of the culture and remunerative package of bankers over the years. The issue must be looked at, but it is quite wrong to berate moderately paid bank employees for the fact that they are awarded bonuses.

I am conscious of the time—although I would like to refer to other Members' contributions, I do not have the time to do so. On St. David's day it is clear that all Members, whatever their political background, want to do their best for Wales, but we cannot all come to the same conclusions. In the next few weeks, the people of Wales, like the people of the rest of the United Kingdom, will have to make a choice between five more years under Labour, repeating the failure that Wales and the rest of the United Kingdom has experienced, or a new optimism with a Conservative party that is prepared to take on the challenges that this country faces, and to make life better for the people of Wales, which I am sure is what everyone in this Chamber wants.

5.49 pm

The Parliamentary Under-Secretary of State for Wales (Mr. Wayne David): We have had a good debate this afternoon. A wide range of issues has been discussed. My hon. Friend the Member for Cardiff, North (Julie Morgan), for example, has spoken with passion about Llanishen reservoir, while the hon. Member for Ceredigion (Mark Williams) discussed a number of issues, including what is happening at the Aberystwyth university Institute of Biological, Environmental and Rural Sciences, which I recently visited. We can discuss that issue further.

My right hon. Friend the Member for Cynon Valley (Ann Clwyd) made a passionate address. She accurately told us about the difficulties of the south Wales experience, particularly during the miners' strike. There was also a colourful speech from the hon. Member for Montgomeryshire (Lembit Öpik).

I am pleased that my hon. Friend the Member for Aberavon (Dr. Francis) has given us a clear indication of the excellent work conducted by the Welsh Affairs Committee. He referred particularly to the effective scrutiny of legislative competence orders and the excellent work done on a number of other issues. I should particularly like to refer to the good work that the Committee has done on the future of the Legal Services Commission.

My right hon. Friend the Member for Torfaen (Mr. Murphy) made an important address. He talked about how in the past few years his constituency had been transformed under the Labour Government. Similarly, my right hon. Friend the Member for Islwyn (Mr. Touhig) talked about the improvements that have taken place in his constituency. He specifically referred to improvements in the national health service. A new hospital is being built in Caerphilly borough; it happens to be in my constituency, but it will serve his constituents as well. Like other hon. Members, I pay tribute to my right hon. Friend's tremendous work over a number of years as a member of the Government and a Member of the House.

We also heard the last St. David's day address from the hon. Member for Carmarthen, East and Dinefwr (Adam Price). I pay tribute to his work and the erudite contributions that he has made to debates in the House.

[Mr. Wayne David]

I was particularly pleased at his reference to Idris Davies, who came from the Rhymney valley. My hon. Friend the Member for Carmarthen, West and South Pembrokeshire (Nick Ainger) made an erudite speech, as did my hon. Friend the Member for Ynys Môn (Albert Owen), who is a true champion of his constituency.

One of the main points made by Labour Members in this debate concerned the need to maintain current levels of public expenditure to ensure that the economic recovery that we see now is sustained and developed. A few days ago, a significant letter, signed by no fewer than 67 leading economists, was published in the *Financial Times*. It stated:

"If the government did not take up the slack, there would be a deeper recession. But fortunately, wise counsel has prevailed so far, and public spending has been maintained as an offset to reduced spending by the private sector."

That is eloquent testimony to the effective economic strategy being successfully pursued by the Government. It is imperative that that strategy should be maintained.

There is a clear distinction between that economic approach and what is being advocated by a number of Conservative Members, in particular the hon. Members for Preseli Pembrokeshire (Mr. Crabb), for Chesham and Amersham (Mrs. Gillan) and for Clwyd, West (Mr. Jones). At the election, there will be a clear choice for the people of Britain, including the people of Wales. It will be between clear investment from a Labour Government and a programme of harsh cuts.

We have at least an inkling of the cuts that we could expect if a Conservative Government were elected. We have heard the comments about the free breakfasts provided by the Welsh Assembly—the Conservatives describe them as "wasteful gimmicks". We have heard the Conservatives say that free prescriptions are "unsustainable". Free bus passes have been enormously popular and liberating for elderly people in Wales, but the Conservatives have said that they need "to review this scheme".

Mrs. Gillan: Will the hon. Gentleman give way?

Mr. David: I am sorry, but time is short. *[Interruption.]* No, I am quoting accurately from Conservative policy statements.

If the Conservatives were to get into power, cuts would happen—and not only in the areas to which I have referred. I also believe that the NHS would not be safe in Conservative hands. What evidence do I have? Only this afternoon, for example, the hon. Member for Monmouth (David T. C. Davies) said that the national health service was based on a plan drawn up by William Beveridge. It was not; Aneurin Bevan, a good Welshman from Tredegar, was the architect of the NHS. Of course, the Conservatives have always been lukewarm with regard to the national health service—that is why they voted against its formation back in 1948, and we will not forget it.

It is important that we recognise that there are clear divisions in this House between how we approach the central issues that face this country. This debate, although a good debate, has been a polarised one as well. In the near future, this country, too, will have to make a clear choice between what is on offer from the two main parties. The fundamental choice is between a Labour party that will talk about sensible investment and fairness and a Conservative party that will talk about austerity; a Labour party that will talk about sustained modernisation and a Conservative party that will talk about crude cuts; and a Labour party that will talk about an optimistic future and a Conservative party that will talk about a pessimistic, backward-looking future.

With that kind of choice, the people of Wales will wholeheartedly support the party that is represented on the Labour side of the House. That is why I look to the general election, whenever it comes, with confidence.

Question put and agreed to.

Resolved.

That this House has considered the matter of Welsh Affairs.

Mr. Speaker: At this, the conclusion of the debate on Welsh affairs, I should report that I have received a letter from the Under-Secretary of State for Wales, the hon. Member for Caerphilly (Mr. David), withdrawing a remark made during the last Welsh questions on 10 February, and this will be published in the *Official Report*.

Following is the full text of the letter:

[Dear Mr Speaker,

Thank you for your recent letter regarding my use of the phrase "two-faced Tories" in the Chamber on Wednesday 10 February.

While I firmly believe that the expression I used is accurate and, in the context of a robust exchange, was appropriate, I accept your ruling with regard to the use of non-Parliamentary language and I withdraw the phrase.

Yours sincerely,

Wayne David MP]

E.ON Call Centre (Rayleigh)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Spellar.)*

5.56 pm

Mr. Mark Francois (Rayleigh) (Con): I am genuinely grateful for the opportunity to raise in the House of Commons the proposed closure of the E.ON call centre in Rayleigh, in the heart of my constituency. I am glad to be supported in the Chamber by my hon. Friend the Member for Rochford and Southend, East (James Duddridge), several of whose constituents also work at this facility, and who may seek to contribute briefly if he is lucky enough to catch your eye, Mr. Speaker. My hon. Friend the Member for Southend, West (Mr. Amess), who is speaking at the Oxford Union this evening, and who also has several constituents employed at E.ON, also wishes to have his support for them recorded; I shall return to his views on the matter a little later. I am of course also grateful to the Minister for being here. In a few minutes I will have several detailed questions to put to her, of which I have attempted to give her at least some notice.

The background to this decision is that E.ON UK has three divisions, one of which, the retail division, incorporates the company's call centres. Several years ago, the division was loss-making and the company therefore put in a turnaround programme, asking employees to alter working practices and improve productivity in an attempt to return the division to profitability. The work force in Rayleigh, who number more than 600 employees, actively participated in this programme to help to restore the division to financial health. As I understand it, E.ON has not yet published its 2009 results for the division, but it is apparently back in profit by some tens of millions of pounds, so quite a turnaround appears to have taken place, to which my constituents have actively contributed. I realise that the company needs to make a profit, but given that the division is now doing so again and that the employees in Rayleigh, who earn an average of less than £20,000 a year, have contributed actively to that turnaround, it seems scant reward for them to be made redundant by E.ON shortly thereafter.

Nevertheless, the company announced on 20 January that it was proposing to close the Rayleigh call centre, with the loss of more than 600 jobs. I was fortunate enough, Mr. Speaker, to catch your eye that day at Prime Minister's questions, and that gave me an opportunity to ask the Prime Minister for an assurance that the Department for Business, Enterprise and Regulatory Reform and the Jobcentre Plus network would do everything possible to assist my constituents if they were to be made redundant. In response, the Prime Minister assured me that the rapid response unit of the Department for Work and Pensions and Jobcentre Plus would be made available to assist my constituents. I shall return to that point in a moment.

On that same day, I met Mr. Paul Golby, the chief executive of E.ON UK. We spent the best part of an hour discussing the issue, and as part of that meeting I asked him directly if the company might be prepared to reconsider its decision, particularly if it were to receive any kind of counter-proposal.

I subsequently visited the E.ON call centre last Friday, during the half-term recess, where I had meetings with the management of the retail division, including Mr. David Bird, the customer services director. I then met a representative group of 20 employees from the site, including some of the trade union representatives, to discuss the situation. Some of the points that I wish to put to the Minister this evening come directly from that meeting and will be made on behalf of the employees.

The company has now initiated a consultation process—

6 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Spellar.)*

Mr. Francois: For those not familiar with our procedures, that is a technicality, but clearly it must be gone through, so I am grateful to the Government Whip.

The company has now initiated a consultation process on the future of the Rayleigh site, as it is required to by law. It is due to conclude by mid-April. If the company then decided to proceed with the closure, E.ON would apparently begin to make people redundant at the end of June. The trade unions at the site are apparently now preparing a counter-proposal to put to the company, with the aim of making savings but keeping the site open. It is still being generated, and I have not seen a draft, but if it is credible I urge E.ON to consider it very carefully indeed. I do not want to be accused of raising false hope, but if there were any way that the company might reconsider on the basis of the counter-proposal, my constituents, and indeed their Member of Parliament, would be very grateful.

I hope that I have been able to give the Minister a clear picture of the current situation. Given what I have said, I have several questions to put to the Minister this evening. First, with regard to the future of the site, the employees would clearly like to continue working, if not for E.ON then for someone else. The work force are highly skilled at what they do, and I understand that the company would be prepared to consider selling the centre as a going concern if a suitable buyer could be found. Given that some UK companies are now bringing call centre jobs back onshore, can the Minister offer any advice on companies that might be considering such a process? If she does not have an answer tonight, will she liaise with colleagues in her Department or elsewhere in Government and then get back to me promptly if she is able to obtain any information about a potential alternative investor for the Rayleigh call centre facility, who might be encouraged to consider the idea more closely and help save my constituents' jobs? I am sure that she can understand why I ask the question, and any assistance would be greatly appreciated.

Secondly, E.ON has employed an outplacement company called Right Management to assist employees to find other work if the proposed closure proceeds. Essex Jobcentre Plus has also attempted to contact the company to provide advice and support to employees, but so far E.ON has not actively taken up its offer of assistance. I have no prior reason to doubt the abilities of Right Management, but I would like to have the maximum possible support available to my constituents. Following my visit, E.ON has assured me that it will improve communication with Jobcentre Plus, and in fairness I

[Mr. Francois]

believe that it has been in contact with that organisation. However, will the Minister reiterate the types of services that Jobcentre Plus might be able to offer my constituents in these circumstances, so that they know what is available?

Thirdly, if the closure goes ahead, E.ON is apparently prepared to provide redundancy pay beyond the statutory minimum. However, it is currently also saying that if any employee were to leave before the end of June because they had been fortunate to secure another job, they might have to forfeit their redundancy payment. That seems unfair, particularly given the large number of employees who could otherwise all come on to the job market at the same time. I am told that the company might well be prepared to consider waiving that condition, but that doing so would effectively require the consent of the trade unions, at least before the consultation period concludes. I would definitely like the company to alter its position on that issue, so can the Minister confirm whether the situation as it has been explained to me is correct?

Fourthly, when I spoke to employees last week a number expressed understandable concern at the need to continue to meet mortgage payments if they lose their jobs with E.ON. Will the Minister summarise the help that would be available to help individuals meet their mortgage payments if they were to be made redundant through no fault of their own?

Fifthly, if the closure is confirmed, Rochford district council has offered in principle to organise an open day at the call centre, which staff from its economic development office and benefits division could attend to offer advice to employees on access to benefits, and links to other employers in the district. When I put that idea to the employee representatives, it was quite well received. They suggested that local training organisations and colleges might also like to be invited, to give those employees who might be interested an opportunity to consider retraining packages or even returning to further or higher education. If that were to go ahead, would the Department be prepared to support it?

Sixthly, I hope that the Minister, and indeed you, Mr. Speaker, will allow me to place on record a brief letter of support from my colleague, my hon. Friend the Member for Southend, West, who is clearly rather upset with E.ON and who has this to say about the situation:

"Whilst it was absolutely the right thing to do to contact my hon. Friend about E.ON's proposed closure of the call centre in Rayleigh, I think it was less than courteous not to contact myself as a neighbouring MP who has many constituents working at the centre. This announcement has come as a terrible blow to the region and to families who work at the centre. As of yet, I have had no explanation as to why this decision is being made, which would—at the very least—give the local authorities and Members of Parliament concerned an opportunity to see if they could persuade the company to change its mind."

In conclusion, my hon. Friend states:

"As a long-standing supporter of this energy company, I am very disappointed that they are embarking upon a very short-sighted decision, which I believe they will regret. I very much hope they will reverse their decision and intend to support my hon. Friend's efforts in that endeavour."

That is my hon. Friend's rather robust position.

As I am sure the Minister can understand, I hope that E.ON might recognise the very real contribution that its employees at Rayleigh have made to returning its retail division to profitability, and that it might reconsider the proposed closure at the conclusion of the consultation process in April. However, if that proves not to be the case, as many employees at the site obviously fear—that was apparent during my visit—I would like the maximum amount of support to be made available to my constituents, not only by Right Management under contract to E.ON, but by the Department, the Jobcentre Plus network and the relevant local authorities, including Rochford district council and Essex county council, both of which, I believe, stand ready to assist if they can.

E.ON is currently the largest private sector employer in Rayleigh, and therefore I hope the Minister can understand my concern at what the closure could mean not only for the employees and their families, but for the wider community in Rayleigh, including local businesses that have previously relied on its custom. This is a blow for the town, not just the company and the people who work there.

As I am sure the Minister will acknowledge, no Member of Parliament likes the prospect of a major redundancy in their constituency, and I am no exception. I hope she appreciates the non-partisan spirit in which I have sought to raise this issue this evening, and I look forward very much to hearing what she has to say, some of which, I hope, will be of material help to my constituents. I reiterate that some of the questions that I have put to her effectively come from the meeting I had at the facility.

I will conclude in the hope that my hon. Friend the Member for Rochford and Southend, East can also make a contribution, not least on behalf of his constituents who are employed at the facility.

6.8 pm

James Duddridge (Rochford and Southend, East) (Con): I congratulate my hon. Friend the Member for Rayleigh (Mr. Francois) on securing this very important debate. He is not only a valued member of the shadow Cabinet, but a first-rate constituency MP and a most excellent neighbour whom I am proud to call my friend. As he said, despite E.ON being in Rayleigh, a number of constituents who I have the honour of representing will also be losing their jobs. I thank him for this opportunity to raise the issue and to develop it further by considering the call centre and high-volume processing jobs that have been lost across south Essex.

Sadly, the closure of E.ON is not an isolated case. Southend has suffered from several large closures resulting in substantial job losses in the past year or two. One hundred and sixty-four jobs were lost at Lloyds TSB, and at the end of last year, just before Christmas, it was announced that 750 jobs will be lost at HSBC. The staff at the bank based above Victoria shopping centre were taken to the Odeon and told that the entire Southend HSBC credit card and collection service would be moved to Birmingham in 2011. For most at both E.ON and HSBC, moving such a distance would not be an option. After the announcement of the HSBC closure, I wrote to the group chief executive and expressed my concern about whether my constituents were receiving all the assistance that they could. I received some reassurance and I am looking forward to meeting face to face representatives from the bank, in addition to the conversations that I have had to date.

HMRC will shed 1,000 jobs in Southend by 2011. The situation is even more difficult to come to terms with for those who have lost their jobs, because the Department

for Communities and Local Government rightly deems Southend a regeneration zone at the same time as the Treasury discourages jobs being relocated to the town.

The cumulative loss of call centre jobs deserves a co-ordinated response from the Government. This may also be an opportunity to look again at the Lyons review, which stopped civil service jobs coming to areas of deprivation such as Southend, East. I share my hon. Friend's views about the closure of E.ON and am especially interested to hear the Minister's response to his questions about the support that the Jobcentre Plus network can provide to those being made redundant, some of whom will be looking for jobs in institutions that are already closing in Southend. This is a very grave matter, and I look forward to the Minister's response.

6.11 pm

The Minister for Regional Economic Development and Co-ordination (Ms Rosie Winterton): I congratulate the hon. Member for Rayleigh (Mr. Francois) on securing this debate on what is an important subject. I certainly realise that the announcement by E.ON UK is very bad news for his constituents. The company is a significant local employer and he has clearly set out the serious impact that the potential loss of 600 jobs will have in the area. The global recession that we have witnessed over the past 18 months has, sadly, left its mark on many communities around the country, as the hon. Member for Rochford and Southend, East (James Duddridge) also made clear.

I will try to address the points made by the hon. Member for Rayleigh, and I first wish to assure him that we will work with the Government office for the east of England and the East of England Development Agency to explore whether other companies might be interested in buying the centre. One of my officials from Go East spoke to E.ON this morning and I understand that the company is currently focused on the consultation exercise. Once that has been completed we can enter into more detailed discussions with the company about the disposal of the site. However, as the hon. Gentleman himself said, it is important not to raise expectations in the area, because we are not aware of any potential buyers at present. We will of course continue discussions. EEDA has also been in touch with the company and will be able to move forward as soon as the final announcement is made. I will keep in touch with him should any potential investors be identified.

On the hon. Gentleman's second point, he is right to emphasise how important it is that Jobcentre Plus plays a leading role in the support services provided to E.ON employees. The rapid response service offered by Jobcentre Plus will work with E.ON and its employees to identify the support, advice and information that they would need. I know that a meeting has taken place this afternoon between Jobcentre Plus representatives and E.ON, to discuss the package of support to be provided in the event of closure.

I understand that E.ON has agreed that, following the consultation period, Jobcentre Plus advisers will be able to go to on-site surgeries for staff and open days and to get housing advice. In the meantime, an information leaflet for E.ON staff will be put together detailing the full range of support available from all providers. The rapid response service offers a wide range of services, including help with job searching and skills matching. As I have said, it will run dedicated advice surgeries for employees and give referrals to services provided by other local agencies. Crucially, it also acts as a gateway to training and reskilling, assessing an individual's needs and matching them with the training and funding opportunities available.

That support from Jobcentre Plus will be at the heart of a comprehensive and co-ordinated package of Government support provided through local and regional partners. The response to redundancy programme, offered jointly by EEDA, Jobcentre Plus and the Learning and Skills Council, is also available to E.ON to complement the service provided by the rapid response service. It can offer a number of additional services, depending on work force needs—everything from child care for people attending training to advice on setting up a business. Importantly, the response to redundancy programme can also help to fund appropriate training courses for employees.

The hon. Member for Rochford and Southend, East mentioned Rochford district council and Essex county council, both of which are working to ensure E.ON staff will be able to access the advice that they need on benefits, finance and housing issues. I understand that a fact sheet has been produced bringing together all the resources available to people under threat of redundancy. I emphasise that all those public bodies are working together closely to ensure that E.ON staff can call on a co-ordinated and wide-ranging support package if the Rayleigh call centre does close.

Mr. Francois: I am grateful for what the Minister has said, and I am pleased to hear that E.ON is now actively talking to Jobcentre Plus. It might be a pure coincidence that that meeting took place this afternoon, on the day of this debate, but if, per chance, the fact that we secured this debate suddenly encouraged the company to talk to Jobcentre Plus properly, I would be pleased to know that perhaps we have achieved something by that method.

Ms Winterton: It is certainly true that there were some initial difficulties in making contact with E.ON to discuss its plans, but I am happy to say that constructive discussions are now taking place. Rochford district council is due to meet Right Management—the company engaged by E.ON, and to which the hon. Gentleman referred—in the next two weeks to discuss how its services can be integrated into the comprehensive support package that I have outlined.

The hon. Gentleman also raised the issue of redundancy terms. I am advised that, if agreement is reached between the employer and the trade unions representing employees, the consultation period can be curtailed prior to its scheduled conclusion. In those circumstances, staff members would be released with payment in lieu of the period they are not working, and with the appropriate redundancy pay. As he said, he raised that with the company during his visit last Friday, and I understand that E.ON has indicated that, in the event of redundancies, it will try to be sympathetic to people working at the call centre. I also understand that E.ON is awaiting proposals on this issue from the union.

The Government have set up two schemes for people who need mortgage support. The first is the home owner mortgage support scheme, which is designed to help owner-occupiers who suffer a temporary fall in income, for example because of redundancy. The scheme provides a valuable bridge, giving home owners who are experiencing financial problems sufficient time to find

[Ms Rosie Winterton]

new employment. Those who wish to take advantage of the scheme should contact their mortgage lenders.

The mortgage rescue scheme is delivered through local authorities, registered social landlords, lenders and debt advice agencies. It is designed to help both families with dependent children, and elderly people and other vulnerable groups, although I suspect that the latter two groups would perhaps not be relevant in this instance. The mortgage rescue scheme offers two options. The first option is a Government mortgage to rent, under which an RSL buys the property and rents it back to the applicant, and the second is shared equity, under which the RSL provides an equity loan, enabling the householder's mortgage repayments to be reduced. In those circumstances it is appropriate to contact the local authority.

Finally, the hon. Gentleman asked whether we would be willing to support an open day for E.ON employees organised by Rochford district council. Were such an event to be organised, I can confirm that representatives from the Government office for the east of England would attend, as well as representatives from the East of England Development Agency, the Learning and Skills Council, and Jobcentre Plus, to ensure that E.ON employees got as much information and derived as much benefit as possible from the day. In such circumstances it is important to reassure employees that all the information about the support available is being pulled together, so that they can be confident that they know how to access that support.

Mr. Francois: I have discussed the concept with Mr. Paul Warren, the chief executive of Rochford district council, and Councillor Terry Cutmore, who is the leader of Rochford district council and who, by coincidence, used to work at the call centre a few years ago. They are both keen to help if they can, and I would like to thank the Minister on their behalf for what she has just said.

If I can briefly take the Minister back to the point about redundancy payments, I realise that there are a number of legal technicalities and that things are slightly complicated, but let me stress something. My point in principle is that if people have worked for the company—particularly if they have worked there for a number of years—and if they can get a job before the end of June, it is incumbent on the company to recognise the difficulty that they are in and the service that they have given, and not penalise their redundancies as a result. I want to drive that point home now, while I have the chance.

Ms Rosie Winterton: I am sure that the hon. Gentleman is making that point to E.ON too, as I understand he indeed has. All such discussions are obviously subject to agreement between the company and the trade unions.

I understand that HMRC estimates that it will need 300 fewer staff in Southend by 2011, and that it aims to achieve this through natural wastage and a range of redeployment options for staff. There are no current plans for redundancy, and the intention remains to avoid that. I am sure that the hon. Member for Rochford and Southend, East will also be aware that the Chief Secretary to the Treasury announced that a review was being held to look into ensuring that progress on seeing where civil servants might be relocated out of London to other areas continues, and that work is progressing as well.

James Duddridge: I recognise the figure of 300, but the figure that I was quoted was around 1,000. Does the Minister recognise that 2,491 people were employed by HMRC in 2004 in the constituency that I have the honour to represent, but that that figure is projected to go down to 1,500 in 2011? I am looking at the longer term. Does she recognise that by 2011 there will have been a reduction of more than 1,000 jobs?

Ms Winterton: I am not completely au fait with the figures that pertained prior to the ones that I gave the House just now, but I obviously assume that the hon. Gentleman is speaking correctly when he describes that reduction. If there is anything else that I can add, however, I will write to him.

The Government are absolutely committed to creating as many new job opportunities as possible. The East of England Development Agency has done a lot of work to support businesses and people during the downturn, as well as looking to the future and considering the type of industries that we can encourage in order to ensure that we take advantage of all the job opportunities, once the recovery really gets under way. For example, it has supported the expansion of Southend airport, which is adjacent to Rochford. That could involve the creation of about 3,000 new jobs in the sub-region. The regional development agency has also invested heavily in the university campus at Southend to increase higher-level skills in an area that historically has not had all those skills. We hope that these important investments will boost the employment prospects of people in the area and make south Essex a much more attractive destination for commercial investment.

As I have said, we are certainly focusing on the generation of new jobs and new economic opportunities for people in Rayleigh and across the country. I very much hope that the people working at E.ON will be able to access such job opportunities if the call centre does indeed close. That is why we are standing four-square behind them at national level, working closely with local and regional partners. We want to ensure that people get the training, support and advice that they will need to cope with the transition, if it comes.

Mr. Francois: I apologise for interrupting the Minister's conclusion, but I want briefly to thank her for the spirit in which she has approached this debate. She has provided a lot of information for which I am sure my constituents will be grateful, and I thank her for that. I should like to thank my hon. Friend for being here to support me, and my hon. Friend the Member for Southend, West for supporting me in his rather punchy letter. That is very much his style. I should also like to thank you, Mr. Speaker, on behalf of my constituents, for giving me this opportunity to raise their fate in the Commons Chamber this evening. I am very grateful, and, with that, I shall allow the Minister to conclude her speech.

Ms Winterton: I thank the hon. Gentleman for those comments. I can assure him that we will remain in touch about any developments in the area, and try to ensure that, if the worst does happen, his constituents will be able to get back into work as soon as possible, with the kind of support that we are going to supply.

Question put and agreed to.

6.28 pm

House adjourned.

House of Commons

Friday 26 February 2010

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

Question negatived.

Debt Relief (Developing Countries) Bill

Second Reading

9.35 am

Ms Sally Keeble (Northampton, North) (Lab): I beg to move, That the Bill be now read a Second time.

I am delighted to move the Second Reading of a Bill which, though small, is enormously significant for people living at the sharp end of some of the most acute poverty in the world. I do so on behalf of my hon. Friend the Member for Denton and Reddish (Andrew Gwynne), who has been a great champion of debt relief. Unfortunately, he is unable to be here today owing to serious illness. He has done the cause of fighting world poverty a great service by making debt relief the subject of his private Member's Bill, and I am sure the whole House wishes him a speedy recovery.

The Bill will hugely benefit some of the poorest people and countries in the world. It will prevent commercial creditors, some of them secretive private investment funds, from free-riding on the generosity of the British taxpayer. It will enable poor countries to concentrate funds on much needed new schools, hospitals and other direct services, instead of having to pay unsustainable levels of their Government revenues to service international debt.

The Bill strengthens the UK's commitment to debt relief. This country can take pride in the pioneering role that our Government have played in developing the international initiative to end developing country debt. The Bill takes the logic of public sector debt cancellation into the private sector, and it sets out for the financial services industry some limits to the dealings in which the industry can engage in developing country debt.

One of the results of the credit crunch is public anger about some of the activities of the financial services industry. Profiteering on the back of the debt of some of the poorest people in the world is perhaps the most objectionable activity of all. By passing the Bill, we as a Parliament and as a society will be setting boundaries and saying, "No further."

There has been much speculation about the number of financial institutions that will be affected by the provisions of the Bill, and about whether it will cut across the rights of a wide range of investors. That is not the case. The financial institutions that are likely to be the most sharply affected are the so-called vulture funds—companies that buy up the sovereign debt of the poorest countries on the secondary markets, often at highly discounted prices, and then try to recover the full amount, plus costs and fees, through the courts—often, unfortunately, through the UK courts.

Many of those funds do not participate in debt relief, and by litigating for full repayment of their debt, they reduce the effectiveness of the international debt relief programmes of the UK, our international partners and responsible commercial creditors, and make less effective the very large amounts that the Government and other donors provide in aid for developing countries.

Peter Bottomley (Worthing, West) (Con): Will the hon. Lady join me in applauding the television coverage which has shown that some of those vulture fund people take their names off their doors when they are asked what they are doing? They ought to be as embarrassed about going to the High Court to try to enforce their claims as they are anxious to hide from the cameras and the media.

Ms Keeble: The hon. Gentleman is right about the operation of the funds. That is why my private Member's Bill dealt with issues of disclosure and transparency. I congratulate the media: television and some national newspapers have highlighted such activities and brought them much more into the public gaze. They have done us all a great service and presented us with a challenge by saying, "These are the facts. What are you as a Parliament and as a Government going to do about them?"

Mr. Andrew Dismore (Hendon) (Lab): I am a great supporter of the Bill, as I think all Members are, and my hon. Friend and our hon. Friend the Member for Denton and Reddish (Andrew Gwynne) are doing a great service to the developing world by bringing it forward. Does my hon. Friend the Member for Northampton, North (Ms Keeble) agree, however, that we need international action too? We, in just one country, cannot solve the problem. Does she agree also that if we pass the Bill today we will show that the UK again leads the world in dealing with developing world debt?

Ms Keeble: My hon. Friend is absolutely right—there is a need for international action. A Bill has been introduced in the United States, and I have met the Congresswoman who is taking it through. We also need to talk to other European jurisdictions to ensure that similar action is taken there. Importantly, however, action must start somewhere, and if it starts in this country that is fine, particularly given the global role of our financial services industry and the fact that our courts are often, unfortunately, the locus for action. In reality, we make a start and then look to the rest of the world to follow, as my hon. Friend said we have done on other issues.

The actions of the vulture funds are profoundly damaging, as hon. Members have said. Their world is opaque, and it has been hard to track their activities without the assistance of investigative journalists. To deal with my hon. Friend's point, I must note that a World Bank survey has reported a total of 54 actions by vulture funds since 2002, about one fifth of which have been brought in the UK. The problem is ongoing, and last year's World Bank survey reported 14 active or

[Ms Keeble]

unresolved law suits by commercial creditors worldwide. They include cases against Ethiopia, Sierra Leone and the Democratic Republic of the Congo.

Two well-documented court cases deserve particular mention: those brought against Zambia and Liberia. In the 1970s Zambia was provided with a loan to buy some tractors, but by the late 1990s it was unable to pay back all the money. The country was in the process of trying to find a settlement with the creditors when the Donegal International fund purchased the debt for a knockdown price of $3.3 million in 1999. The fund proceeded to pursue Zambia through the UK courts for the full amount of the debt, plus interest and fees, demanding an astonishing $55 million in total. The courts awarded $15.5 million, five times the amount that the fund paid for the debt.

In November last year, two commercial creditors took a case to the High Court against the Republic of Liberia for a debt that also dated back to the 1970s. In that instance, on an original loan worth $6 million, the funds were awarded $20 million. Not surprisingly, the President of Liberia has spoken out this week in support of action against the vulture funds.

Although those numbers may sound paltry when compared with the billions that have been won and lost each day during the credit crunch in this country, or, indeed, with the amounts that are at stake when a football club goes down, they are enormously significant to countries such as Zambia and Liberia. The $15.5 million awarded against Zambia would have been enough to pay for 30,000 primary school places. The $20 million awarded against Liberia represents an astonishing 5 per cent. of its Government's entire annual budget. In that country, the average income per person is less than half that of the "dollar a day" acute poverty target.

Mr. Justice Barton, who presided over the Liberia case, said:

> "The only issue raised is plainly a sad one, that Liberia is a poor country, and cannot afford it."

Indeed, it is poor, because the average income per person in Liberia is $170, while roughly two thirds of Zambia's 12 million people live on less than $1 a day. That unscrupulous activity not only damages the economic growth of those developing countries, but undermines UK and international efforts to reduce the unsustainable nature of their debts. The Government have been at the forefront of driving through debt cancellation for some of the poorest countries, with the heavily indebted poor countries—HIPC—initiative. That is an international programme, but much of the original thinking and drive for it came from this country.

The scope of the programme has been extraordinary. Since 2000, $117 billion has been committed globally to debt relief for countries through the HIPC and multilateral debt relief initiatives. Some $9.7 billion has come from the UK. The lion's share of the debt cancellation—94 per cent.—has come from the public sector, and it has been successful. Since 2001, the 35 post-decision-point HIPC countries have increased their spending on poverty reduction from $6.4 billion to $26.7 billion.

In Tanzania debt relief has helped to increase the number of children in primary school by more than 50 per cent., and helped to build almost 2,500 new primary schools. Mozambique has more than tripled its poverty reduction spending from $792 million to more than $2 billion, contributing, for example, to a decrease in infant mortality from 147 deaths per 1,000 live births in 1997 to 100 per 1,000 live births in 2008. That is still far too high, and much higher than the rate in this country, but at least the trend is downward.

Debt cancellation has not been entirely a public sector programme, but concerns about the Bill have been raised because the idea has been put about that commercial debt is a new inclusion in the debt relief programme. However, commercial creditors have, notably and laudably, contributed to the debt cancellation, writing off debts because there was no realistic proposition of being able to collect them, out of concern for the impact of debt on the economic growth from which investors hope to benefit, or out of a genuine desire to be part of one of the most progressive movements in the world—the debt cancellation programme.

Some 6 per cent. of debt cancellation, about $4.5 billion, has come either in commitments or in reality from commercial creditors, so the principle of the cancellation of private or commercial sector debts as part of the HIPC programme is already well established. In fact it could be said that the Bill enshrines in legislation existing best practice in the commercial and private sector. It consistently applies to the private sector the principles that already apply to public debt cancellation.

I shall briefly set out the Bill's provisions, although we will consider them in more detail in Committee. The scope of the legislation, in terms of countries covered, is more modest than the provisions in the ten-minute Bill that I introduced last year on the same subject. It would be good to extend the Bill, but it is absolutely right to look at the HIPC countries and use the provisions that already operate in that area for the cancellation of some remaining commercial debts.

Clauses 1 and 2 define the debts to which the Bill applies. Basically, it confines the debts to those that are either included or expected to be included under the HIPC programmes. They are the debts of the 40 most heavily indebted poor countries in the world, including Afghanistan, fragile African states such as Somalia and the Democratic Republic of the Congo, and countries that have been torn apart by conflict, poor governance, and poverty. It also includes five countries that have yet to reach decision point under the HIPC programme: the Comoros islands, Eritrea, Somalia, Sudan and Kyrgyzstan.

My Bill sought to include a wider group of low-income countries, but there is a logic to restricting the legislation to the debts of HIPC countries and a fairness in treating all debt equally. Creditors will still be able to litigate for the recovery of their debts, so they will still retain their legal rights to debt recovery, but they will be able to do so only within the limits that the World Bank and IMF consider sustainable—the internationally agreed rules on the calculation of what is acceptable for debt recovery.

Clauses 3 and 4 reduce the proportion of those debts to be recovered to the level corresponding to the HIPC initiative. Those amounts are assessed internationally and there is a set assessment procedure, so the amount will not be at the discretion of one Government or another Government. A respected and established process for reaching the amount is already in train. Clause 5 applies those terms to judgment debts, and clause 6

creates an incentive for debtors to negotiate settlements to repay their debts on terms compatible with the HIPC initiative, by excluding from the scope of the legislation debts in respect of which the debtor has failed to do that.

Much of the discussion of the Bill in recent days has focused on the presumed restrictions that it introduces on the activities of private investors. However, as I have said, the Bill does not outlaw the proper pursuit of debt; it seeks to ensure that creditors cannot pursue payment beyond the level assessed as sustainable by the IMF and the World Bank. The overall goal, of course, is to reduce the relevant country's debt ratio to sustainable levels. The Bill provides safeguards for commercial creditors by promoting a negotiated settlement between them and the debtor countries, by excluding debts in respect of which the country concerned does not offer to settle on terms consistent with the initiative.

Finally, the Bill promotes fairness among creditors. The vulture funds that successfully take indebted countries to court can do so and make profits only by free-riding on the relief provided by British taxpayers, our international partners and other, more ethical, commercial creditors. As it stands today, the Bill is the result of solid consultation by the Government and a lot of hard work by the voluntary sector. It began with the work of the Jubilee Debt Campaign and included, in the Treasury, a consultation that reported recently.

What lies behind the Bill is economic realism as well as fairness to the British taxpayer, poor countries and other commercial creditors who already participate in debt relief. The reality for any country that reaches a HIPC process is that its debts are unsustainable and it has little or no prospect of ever repaying them in full. The initiative makes for the orderly management of the debt and reduces it to a level considered repayable. However, the process is fair and economically equitable only if all parties partake in the relief. The Bill would ensure that that happened and that the rogue vulture funds that are currently completely outside the law would be brought within the scope of internationally agreed procedures for managing developing country debt.

I pay particular tribute to my hon. Friend the Member for Denton and Reddish, for whom I am taking this Bill forward today; I am sure that he would have wanted very much to be here. I thank other colleagues in the House and the staff and supporters of the Jubilee Debt Campaign, who have been relentless in keeping this issue in the spotlight over the months and years. Their work and campaigning has provided the public space for the whole process of debt cancellation, which has been so important.

Mr. Speaker, you were one of the sponsors of the previous Bill, and I am sure that you would want to see this measure get on to the statute book before the election. I very much hope that we will get the time necessary for the Committee stage, and be able to complete Report and Third Reading in the little time left to this Parliament.

There is a strong body of support for the Bill right across the House; the Opposition have been extremely important in respect of the main thrust of the arguments behind the Bill. There is equally strong support outside this building for ending the unsustainable levels of debt that have for so long paralysed the efforts to end world poverty.

9.53 am

Andrew Stunell (Hazel Grove) (LD): I am delighted to have this opportunity to speak in support of the Bill. I start by offering my sympathy to the hon. Member for Denton and Reddish (Andrew Gwynne), a geographical neighbour of mine who, like me, serves part of the borough of Stockport. I wish him well. I know from my conversations with him that he takes the Bill very seriously. He will be most disappointed not to be here as we, I hope, wave it forward on its way in the next hour or two.

I congratulate the hon. Member for Northampton, North (Ms Keeble), whose original ten-minute Bill first brought the issue to the attention of the House. I was happy to sponsor that Bill, and I am equally happy to sponsor this Bill today. Not having stepped back fast enough, I am also speaking on behalf of the Liberal Democrat party. I am happy to record my party's strong support for the Bill, which it sees as an important and practical, although small, way of assisting some of the poorest countries in the world—and, more importantly, the millions of poor people who will benefit when this legislation comes into force. As the hon. Member for Northampton, North said, this Bill is in some ways a little more refined than her ten-minute Bill, and it is none the worse for that. It is ready for implementation, subject to whatever is said in Committee.

I should make a disclaimer. As my constituents know, I am a stout defender of animal welfare. However, I should make it clear that international financial vultures are not included in my view of what should be protected by the House. I have served on the International Development Committee for the past year or so. Although I thought I already knew about some of the key issues, it has been an eye-opener to have seen the work done in many heavily indebted countries to tackle poverty and make a reality of the millennium development goals.

It is absurd that a great deal of work should be put in by non-governmental organisations, governmental organisations and multilateral donors to tackle the millennium development goals, to bring improvements to health and education and alleviate poverty in poor countries, while people operating from anonymous offices in financial centres around the world are exploiting the UK courts to take back some of the money that has been so hard won and negotiated so carefully for the purposes of poverty alleviation.

It is a particular cause of concern—anguish, even—for those of us who serve in the UK Parliament that the UK courts should have opened the door to all that and had a relaxed approach to such cases. That has made the UK one of the most—if not the most—favoured places for those anonymous financial experts to wreak their damage. As has already been mentioned in an intervention, those people do not seem to have too much shame, but they have enough to want to avoid the transparency that goes with full public disclosure. I welcome the fact that the Bill will tackle that issue as well.

My remarks will not be extensive. The Bill is a necessary measure to close a loophole that most people probably do not believe could ever have existed in the first place.

[Andrew Stunell]

The Bill is well crafted and quite modest. I hope that it will get a very fair wind very quickly and that, not for the first time, what the House does on the issue of poverty reduction at an international level will be picked up in other parts of the world.

There are other centres of financial services and court regimes and, if the loophole is shut here, those anonymous financial experts will no doubt start to look elsewhere in greater numbers than before. We already know that the United States legislature is looking at parallel proposals. I hope that this morning will start a domino effect that will end up closing, at worldwide level, this ridiculous loophole and redirecting income streams that were always intended to alleviate poverty in poor countries back to those countries without further delay.

9.59 am

Mr. David Gauke (South-West Hertfordshire) (Con): It is a pleasure to speak on Second Reading of the Bill. I add my words to those of the hon. Member for Hazel Grove (Andrew Stunell) in wishing the hon. Member for Denton and Reddish (Andrew Gwynne) well, and I congratulate the hon. Member for Northampton, North (Ms Keeble) on her long-standing interest in the matter and on presenting the Bill so effectively this morning. She is absolutely right that there is a cross-party consensus and real concern about debt. We believe that the Bill is extremely well intended and addresses an important issue, and we are grateful for the opportunity to examine it closely to see what we can do about the problem. In our view it should have an opportunity to go to Committee, and we hope that it will have a fair wind, to use the words of the hon. Member for Hazel Grove.

I should explain the Conservative party's long-standing interest in debt relief. I know that there is consensus on the matter, but it is worth pointing out that our interest has long existed. In 1988, the Conservative Government negotiated the Toronto agreement to reduce debt payments by a third, and in 1990 they negotiated the Trinidad terms to reduce them by two thirds. In 1996, my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), as Chancellor of the Exchequer, was much involved in the heavily indebted countries initiative to write down debts by 80 per cent. In the course of those initiatives, the Conservative Government unilaterally wrote off virtually all Britain's aid loans—£1.2 billion-worth, which was the single biggest contribution to easing the debt crisis. I pay tribute to the current Government, too, for their work in building on that, and there is consensus on supporting debt relief.

It is perhaps worth my saying a word or two about why we believe that debt relief is so important. I make a comparison with what happens in market economies, in which individuals and companies can write off bad debts and start again. Countries cannot do that in the same way. Their debts cannot be written off automatically through bankruptcy or a voluntary liquidation regime, so they remain. They are incurred by impoverished countries, usually as a consequence of corrupt and incompetent rulers, but repaid by the population, who are both blameless and impoverished.

It would be interesting if the Economic Secretary could say something about the Government's position on sovereign debt work-out mechanisms. I know that they were raised at the Doha financing for development conference in November and December 2008, at which there was an attempt to find a fair mechanism for developing countries that could not repay their debts. I would be interested to know what the Secretary of State for International Development has done to pursue that matter.

Individuals and companies in this country have a mechanism by which, subject to preferential treatment for particular entities, the pain can be shared among all their creditors, who each get a proportion of the debt repaid to them. Developing countries do not have that mechanism. Some creditors may voluntarily waive their rights, as certain countries have done. As the hon. Member for Northampton, North pointed out, a substantial number of commercial lenders have also done so. However, others continue to claim repayment of debt that cannot be afforded, and as I have said, there is no liquidation or administration procedure available. In many respects, one could describe the Bill as attempting to find such a mechanism, to prevent creditors that refuse to participate from benefiting from a free ride. I say that because countries could not repay any of their outstanding creditors without the steps taken by some of them to waive a substantial proportion of the debt. We need fairness for creditors, whether Governments or commercial lenders, who have taken a view that they will not pursue the full amount, which makes available funds that the more ruthless creditors can pursue.

A central point is the effect that the Bill would have on developing countries. The hon. Lady mentioned Liberia, which is topical given the judgment at the end of last year and given that it featured heavily in the "Newsnight" report on the matter last night. It is clearly grossly unfair on the people of such a country, who are deeply impoverished, to find a substantial part of their Government's budget taken up in repaying aid over which they had no control and no say. That is at the heart of the Bill, and we share the concerns that drive it. We will support its Second Reading today.

Although there is cross-party consensus, that should not prevent the House from examining various points in the Bill closely. The responses to the Treasury's consultation document raise a number of important points that we should consider with due care and attention. That is why it is proper that we have Committee stage, and I hope that the Government will be able to find time to ensure that that happens.

There are essentially two big issues to consider, and although the Bill is not contentious, it raises fundamental questions. The fact that there is a consensus is all the more reason to scrutinise it properly. I turn first, because it is perhaps the simplest and quickest argument to summarise, to the fact that the Bill clearly affects contractual rights—that is the intention behind it. By and large, we in this country take a view that contractual rights should be respected. Contracts provide certainty, are part of our tradition and are one of the reasons why English law is a favoured choice of system throughout the world. It has clearly been to the advantage of the UK that we have a system that provides such certainty. Alongside the tradition of respecting the sanctity of contracts, we have the terms of the European convention

on human rights, which of course are now protected by the Human Rights Act 1998. They include the protection of the right to property under article 1 of protocol 1 to the convention.

The Government argue in their response to the consultation document that there are compelling policy reasons why contractual rights should be overridden, and to a large extent I have made the same argument in my remarks, as have other hon. Members. However, we should go into this matter with our eyes open. We should be aware that the Bill would disturb contractual rights, which has certain consequences. The Government say that the ECHR arguments can be overcome because there are compelling policy reasons. I do not dispute that, but it is right that we have an opportunity to debate such reasons in detail.

Andrew Stunell: I am sure the whole House would agree with the hon. Gentleman on the importance of maintaining our historical commitment to the enforcement of honest and fair contracts. However, the honesty and fairness of the contracts is in question—the point put to the House is that the contracts are unfair and lopsided, because one party to them has no power whatever to mediate the process. In that situation, human rights legislation kicks in to protect the powerless.

Mr. Gauke: My point is that the Bill would disturb contractual rights, but the argument is that there are compelling reasons why it is right to do so. The hon. Gentleman articulately sets out that case. I am not disagreeing with him in any way, but merely stating that it is right that we examine the argument closely. I will come back to the essence of what he is saying in a moment, but he has led me to my second point, which Members on both sides of the House and the Government, in their role of developing the legislation, are keen to address.

The central question is whether the measure will benefit developing countries. I am not arguing that it will not, but the argument that there would be certain spillover costs was put by a number of respondents to the Treasury consultation, and it is right to examine it. Essentially, the argument is that the Bill could create uncertainty. There may be a perception that further legislation will restrict creditors' ability to reclaim their debts from heavily indebted poor countries and other developing countries more generally. That would have the consequence either of reducing the number of creditors that are prepared to lend to developing countries, or at the very least of making borrowing more expensive. The Treasury is very conscious of that argument and acknowledges throughout the documents it has produced—the response to the consultation and so on—that debt relief measures could increase risk premiums and make it harder for developing countries to borrow responsibly.

The counter-argument is that the Bill is carefully targeted and calibrated to prevent that in two ways. First, it focuses on historical debt, meaning debt contracted before commencement. No future debt will be affected, so when developing countries attempt to borrow in future, contracts will be unaffected, so there will be no risk premium. Secondly, the Bill is targeted at the public debts of the regimes of HIPCs, not those of all developing countries.

We first need to debate the question whether those qualifications are the right ones. One could approach that in two ways. First, one could argue that the measure is unduly restrictive. Why apply it only to HIPCs?

Ms Keeble: I will come back to that question later, but is there any evidence that the existing cancellation of commercial debt—the £4.5 billion to which I referred—has had any impact on risk premiums for developing countries?

Mr. Gauke: I am not aware that there is. I stress that that argument was not mine, but that of a number of respondents to the consultation. It is not for me to speak for them, but I suspect they would say that there is a difference between a voluntary waiving of rights, and a compulsory waiving of rights brought about by legislation that means essentially that certain debts are unenforceable. There is a distinction, but the hon. Lady might be right to say that debt relief measures so far—she was right to acknowledge the considerable steps taken by commercial lenders in addition to those taken by Governments and international organisations—have substantially reduced the burden on impoverished countries. The Bill might well not affect premiums, but it is right that we explore the matter.

I was saying that the Bill could be criticised for being too prescriptive. Why is it targeted only at the public debts of HIPCs and not those of developing countries more widely? The alternative argument is that the Bill will not do the job because it will create uncertainty for creditors of developing countries, whether HIPCs or otherwise. To be fair, in paragraph 2.30 of its response to the consultation, the Treasury states:

> "Predicting the scale of any negative spillovers from legislation is very difficult in advance of legislation."

I am not claiming to know the answer, but given that the Treasury acknowledges uncertainty, we need to examine the arguments closely.

Mr. Christopher Chope (Christchurch) (Con): My hon. Friend will obviously have seen the evidence given to the Government consultation by the Alternative Investment Management Association. Does he accept that that association represents practitioners rather than theoreticians, and that we should take seriously its concerns about the provisions?

Mr. Gauke: It is true that practitioners' responses—across the board—to the Treasury consultation raise concerns, and it is right that the House hears and explores those arguments and takes a view on them. I am also conscious that some respondents—I am not saying that they are right—were of the view that they had not been properly engaged in the process and that there was insufficient consultation at an earlier stage. I would be grateful if the Minister responded to that argument. To what extent did the Treasury engage emerging markets creditors to assess spillover costs? I note that the impact assessment produced by the Treasury does not put a monetised cost on that. The essential argument why it does not make such an assessment, which is set out in paragraph 2.30, is that all arguments put forward for spillover costs are based on markets assuming—or at least contemplating the possibility of—a significantly increased risk that the Government will in future enact legislation different

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from that being introduced. It is worth acknowledging, as the hon. Member for Northampton, North rightly said, that this Bill will not cause an increased risk premium, but it could cause concern that a precedent has been set and further measures will be taken.

Andrew Stunell: None of us would dissent from the idea that the legislation should be properly and thoroughly scrutinised in Committee, but can the hon. Gentleman tell us whether his party would support the enactment of legislation broadly along these lines to deal with this particular problem? That is something that the House needs to know, bearing in mind the very short time frame that we have to deal with matters in this Parliament.

Mr. Gauke: We will support the Bill's making progress to Committee today. It is for the Government to provide time for the Committee stage, but we hope that they will provide adequate time for scrutiny. We do not believe that it is right to circumvent the normal parliamentary process when dealing with these important matters because if we get this wrong, it will be the developing countries who suffer. It is not our fault that we are doing this only a few weeks before the end of this Parliament, and if we do not have time to give the Bill proper scrutiny, it is regrettable. However, it is important to do it properly.

Andrew Stunell: I hope that the hon. Gentleman does not mind my pressing him a little. I accept the point that he makes, but he has expressed a wish to be sitting on the other side of the House in three or four months' time, so it would be helpful to know whether, in that case, he would support a Bill in similar terms—subject to discussions in Committee on this Bill—to put it on the statute book without further delay.

Mr. Gauke: We support measures to address this matter, for the reasons that I have been outlining. Questions still need to be answered to ensure that this Bill is the right approach, and I hope that we will be able to resolve those issues in Committee in the next few weeks.

The concern is that the Bill will set a precedent for future legislation, although the Government are clear that that is not the intention. As the hon. Member for Hazel Grove pointed out, we want to be on the other side of the House in a few months' time, and we would want to ensure that any measures that we took were very carefully targeted.

We all have a responsibility to be careful about the language that we use in this debate. Most of us instinctively feel that it is wrong for rich western financial institutions to seek to enforce debts against poor African countries. But I would also make the tough-minded but pragmatic and realistic point that this Bill is rightly carefully targeted and the Government—we support them in this—do not believe that there is a broad principle that rich western financial institutions should never be able to enforce debts against poor African countries.

I hope that that position is supported across the House, because if we ever expressed our views in that way, it could easily be interpreted as suggesting that the Bill could be extended in future. We have to make the realistic point that if we were to accept that broad principle, financial institutions would not lend to developing countries, and that would be a huge disadvantage and place enormous restrictions on the potential for growth of developing countries. In some quarters, that point may be controversial, but it is right to express it explicitly to provide some reassurance that the Bill is carefully targeted and very restrictive in some respects, and should not undermine confidence in future. It is helpful to the success of the Bill to make that point explicitly and I hope that all parties will agree. I make that point partly in reference to an earlier intervention by the hon. Gentleman.

We recognise that this measure needs to be calibrated correctly, and that raises various questions. I have highlighted the two principal restrictions—it only applies to HIPC countries and to debts that have already been entered into, and it is entirely retrospective in that sense—but I have some other questions that I would like the Minister to address if he has an opportunity. The group that attracts most ire—as the hon. Gentleman and the hon. Member for Northampton, North said—is the vulture funds. They are the institutions that have bought up the debt in secondary markets at a low price and then sought to enforce it. This issue was covered on "Newsnight" last night, and I expect that many hon. Members will have seen that. It is worth noting that, according to the impact assessment published by the Treasury, of the £145 million that is identified as being of benefit to the HIPCs that will be affected by this legislation, some £78 million relates to original creditors, not the vulture funds. Assuming that every creditor that is not an original creditor is a vulture fund, that means that £67 million of debt has been bought on the secondary market.

Those who responded to the Treasury consultation unanimously believed that no distinction should be made between original creditors and those who bought the debt on the secondary market, but this issue is worth exploring given that public concern is focused on vulture funds. One can see, morally and ethically, why that is the case, but perhaps the Minister could explain why the Bill does not focus specifically on vulture funds.

The Treasury methodology used to produce the £145 million figure has been criticised. A previous consultation paper produced by the Treasury stated that the amount that the HIPC countries would benefit by was £254 million. There were arguments that that methodology was wrong, out of date and failed to address several points, and the Treasury acknowledges, in the response to the consultation paper, that it

> "remains true that any estimate of the effect of this legislation attempts to quantify an intrinsically uncertain process."

That flags up a degree of uncertainty, and I hope that we have an opportunity to explore that point.

I would also like to touch on a question that other hon. Members have mentioned: will other countries follow suit? Our principal concern is the impact on developing countries, but there could be a commercial knock-on effect for the UK, were contracts simply to use a different form of law—for example, New York law. Whether that happens partly depends on what happens in other jurisdictions, so can the Minister shed some light on progress in other countries? We have heard about what is happening in the US, but it would be interesting to know whether the Government can

provide more detail on the likelihood of this legislation coming into effect in the US. That would help the House.

It is important that we get the Bill right. It is an attempt to address an important issue, and everybody wants to reduce the debt that these impoverished countries face. Equally, however, I am sure that nobody here wants to make it harder, or more expensive, for developing countries to raise funds. The legislation is designed to help. We want to ensure that it does, and we wish it well.

10.31 pm

The Economic Secretary to the Treasury (Ian Pearson): I would like to start by putting it on the record that the Government fully support the Debt Relief (Developing Countries) Bill, introduced by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne). He has decided to introduce a serious and worthwhile measure, and I would like to join other hon. Members in expressing my sadness that he could not move the Second Reading in person. I wish him a speedy recovery. I am also grateful to my hon. Friend the Member for Northampton, North (Ms Keeble) for so ably opening the debate in his place. We are fortunate that someone with her expertise and commitment to this issue could do so, and I would like to pay tribute to her work over a considerable period on the issue of debt relief. I also pay tribute to the commitment of my hon. Friend the Member for Denton and Reddish.

Several private Members' Bills this Session have been substantial and constructive pieces of legislation, but I am confident in saying that few, if any, have given the House the opportunity to progress a Bill as beneficial as this one. It was not a hard decision to support a Bill that will protect the debt relief that is vital to the development of the world's poorest countries by preventing it from being exploited and diverted. It will do so efficiently and fairly, respecting legitimate commercial rights, and will ensure that the aid and debt relief funded by UK taxpayers will be used effectively to tackle global poverty. I also welcome the support for the Second Reading from both the Conservative and Liberal Democrat Front-Bench Members. Importantly, the provisions in the Bill are carefully targeted, and I think that both sides of the House recognise that.

I shall explain in more detail our reasons for supporting the Bill. As the House will be aware, several factors led many of the world's poorest countries to build up debts that they had no realistic prospect of fully repaying, and by the 1990s this burden of debt was clearly a barrier to renewed development for those countries. Partial and piecemeal refinancing of their debts had proved insufficient, which is why, in 1996, the heavily indebted poor countries initiative for debt relief was established. HIPC provides a comprehensive framework for the debt relief that all creditors need to provide to reduce eligible countries' debts to sustainable levels. Forty countries with a total population of more than 600 million, but an average income per person of just $530, qualify for the initiative, due to their high level of poverty and unsustainable debts.

The World Bank and the International Monetary Fund jointly administer the initiative and monitor each country's progress. When a country meets the conditions for decision point on the initiative, those organisations assess the country's total external debts and calculate the percentage reduction required from all creditors to reduce the debts to an economically sustainable level. The HIPC initiative expects that all creditors—bilateral, multilateral and commercial—will provide this percentage reduction fairly and equally, doing what is financially necessary.

At decision point, the World Bank and the IMF also agree with the country a set of reforms that it will undertake to direct the extra resources, from which it benefits through debt relief, towards tackling poverty and catalysing economic growth. Once the country achieves those triggers, it reaches completion point—the point at which all creditors are expected to have reduced their debts to the set level. With sustainable debt levels, a track record of macro-economic stability and a strategy being implemented to reduce poverty, countries completing the HIPC initiative are much better placed to continue their development.

The HIPC initiative is providing considerable success. Countries that have completed it have achieved higher rates of economic growth, maintained lower inflation and fiscal deficits and similarly improved their relative performance compared with other low-income countries. It is sustained economic growth that offers the surest underpinning for lifting people out of the poverty that continues to affect much of the countries' populations. Of course, development is never a simple story, but the recent progress of, for example, Tanzania, Ghana and Rwanda shows the real contribution that debt relief can make.

Completing the HIPC initiative also triggers additional debt relief that goes beyond the aim of reducing debts to a sustainable level and further increases the resources freed up for the development. The UK is one of several countries that completely cancel all debts owed to the Government at completion point. At Gleneagles, in 2005, the UK won international agreement for the multilateral debt relief initiative that completely cancels debts owed to the IMF and the main multinational development banks. Together those initiatives are so far worth $117 billion in debt relief for the 40 heavily indebted poor countries. It is an achievement that the UK has led the world in bringing about, and all of us in the House should feel proud of it.

The benefits of debt relief, however, could, and should, be even greater. Most commercial creditors recognise that, aside from considerations of tackling poverty, the heavily indebted poor countries are unable to repay debts in excess of the percentage reduction expected under the HIPC initiative, and they agree voluntarily to reduce their debts accordingly. However, a small minority of creditors instead seize on the opportunity presented by the debt relief provided by others and sue the Government of the country for debts often contracted decades ago, and which have accumulated interest and arrears.

If a company cannot meet all its obligations to creditors, insolvency law brings about a fair and efficient resolution by requiring that all creditors receive repayment of an equal proportion of their debt. No analogous system exists for countries, as the hon. Member for South-West Hertfordshire (Mr. Gauke) noted when he said that there was no sovereign system of liquidation or insolvency. I do not think that we would want a system of liquidation for a country, but it is important that we have something

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comparable to an insolvency regime for countries that get into massive debt. That is what we are trying to do with the Bill.

It is currently legally possible for a creditor to free-ride on the debt relief that others provide, enforce its claim for full repayment and siphon off for commercial gain some of the resources that would have been used for poverty reduction. Hon. Members have spoken of how they see this practice as morally unjustifiable, and I agree with them, but I would also like to emphasise that allowing this free-riding to continue would perpetuate an economically unjustified and inefficient market failure. As the money that is diverted includes the development assistance funded by UK taxpayers, I have another strong reason, as a Treasury Minister, to support action in this area. That is an important point that I would want Members in all parts of the House to recognise.

For those reasons, the Government have already taken a range of steps to limit the problem. Many commercial creditors are happy to be repaid whatever proportion of their debt they remain entitled to, consistent with providing relief under the HIPC initiative. The World Bank's debt reduction facility organises operations to buy back debts eligible for relief at the deep discount corresponding to HIPC initiative terms, and then to cancel them. The UK supports and, with other donors, funds such operations, which can be very effective. Last April the facility brought back and cancelled 97.5 per cent. of Liberia's eligible commercial debt, for only 3 per cent. of its face value of $1.2 billion. I want to say something more about Liberia in a minute, because it was referred to by a number of hon. Members.

High-quality legal advice for heavily indebted poor countries is also important, to help them defend claims and avoid problematic terms in new borrowing. For that reason the Department for International Development has committed £5 million to fund the new African legal support facility. The value of good legal advice was illustrated by the case of Donegal International Ltd *v.* Zambia, where our funding for legal advice helped Zambia reduce its liability by around $40 million. Also, a number of claims brought by litigating creditors can be reduced if fewer responsible creditors sell on their claims. We have won support for commitments not to sell on claims, from 19 members of the Paris Club of creditor Governments, the European Union and signatories to the UN's Doha declaration on financing for development.

Despite the success of all those measures, a problem remains. It is a problem of a small minority of commercial creditors that continue to litigate and recover sums greatly in excess of that which is compatible with the debt relief that heavily indebted poor countries can expect. The best information on the scale of the problem comes from the World Bank's annual survey of heavily indebted poor country Governments. The most recent survey, in 2009, reported 14 active or unresolved law suits worldwide, with a total value of $1.2 billion. More new cases continue to be brought. Rates of litigation since 2002 indicate that around a fifth of such cases are heard here in the United Kingdom.

I cited Liberia as an example of the success of voluntary buy-backs, but as hon. Members have recognised, in November the High Court gave judgment for $20 million against Liberia, in a claim brought by two commercial creditors against the country, allowing them to seek to enforce full repayment in the United Kingdom. In Liberia, a country with an average income per person of just $170 and where 13 per cent. of children die before their fifth birthday, all the resources that its Government should expect are vital. I find the actions of commercial creditors morally repugnant. Only legislation, in the Bill before us today, can prevent such free-riding under UK laws and in UK courts by a small minority of unscrupulous commercial creditors. By passing the Bill, I believe that we can help to protect Liberia, Ethiopia, Sierra Leone, the Democratic Republic of the Congo and the other heavily indebted poor countries facing litigation.

I want to address some of the comments made by the hon. Member for South-West Hertfordshire about the Bill. He principally raised the issues of contractual rights and whether the Bill would actually benefit developing countries. There is certainly an interference with contractual rights, as he notes, but we believe that this is morally and economically justified. I shall say something about the compelling reasons for that in a moment. I strongly believe that the Bill will benefit developing countries. Indeed, if one asks developing countries, they, too, will say that the Bill will be helpful to them. The hon. Gentleman also raised what might be called the "thin end of the wedge" argument, which is that the Bill might set a precedent and that people might go further. I want to address that too, as well as commenting on the position of original creditors, to which he also referred.

Mr. Nigel Dodds (Belfast, North) (DUP): Will the Minister also address the point raised by both the hon. Member for Hazel Grove (Andrew Stunell), the Front-Bench spokesman for the Liberal Democrats, and the Conservative party spokesman about the effect of other countries not following suit? That is an important issue if the money is being transferred elsewhere.

Ian Pearson: I will indeed address that point, as well as the sovereign debt work-out mechanism, which the hon. Member for South-West Hertfordshire also raised. On that issue first, as I think he is aware, the Government supported the IMF's original proposal for a sovereign debt work-out mechanism in the early part of this decade. The proposal did not receive international consensus at that time. As a result, there has not been a renewed international proposal following the Doha declaration. That is why the Government have instead prioritised consulting on and supporting measures through legislation, which is why we are pleased to support the Bill before us today. We believe that it can build on the successful HIPC initiative and be implemented quickly.

The hon. Gentleman raised some specific points about contractual rights. I understand that some people take the view that the Bill is an unjustified interference with property rights. I recognise that that was not what the hon. Gentleman, who speaks for the Opposition, was saying, but he raised that point as an issue and a matter of principle. I hope that I have made clear the economic arguments for all creditors to provide the relief assessed as necessary in the HIPC initiative, and explained why free-riding is inefficient and inequitable. It is important to recognise that the vast majority of commercial creditors already voluntarily reduce debts in line with the initiative, so they will be completely unaffected by the legislation.

As the hon. Gentleman said, the Bill is carefully targeted and calibrated. It includes a clause that specifically provides an incentive to debtors to negotiate settlements of their debts on terms compatible with the HIPC initiative, thereby helping the process. It is also worth noting that the typical market value of the debts that will be affected is around or below the level to which creditors will remain entitled under the Bill.

On contracts, as the House will be aware, the Government have already taken what steps we can, within the existing legal framework, to help developing countries with debt relief. What is proposed in the Bill is limited to a tightly defined stock of existing debts of the poorest countries in the world. It balances preventing creditors from extracting excessive repayment with an incentive to help them to recover the part of their debt that they can expect to be repaid. In this case, the need to stop the resources that the UK and others provide through debt relief being diverted from poor countries justifies reducing contractual rights. It is not the case that contracts would be torn up; rather, creditors will not be able to pursue payment beyond the level assessed as sustainable by the IMF and the World Bank.

Legislation not infrequently has some effect on the value of existing contracts. Although this is more unusual, there are precedents for legislation that changes existing contractual and other property rights. For example, I was responsible for leading on the Banking (Special Provisions) Act 2008 and the Banking Act 2009, both of which provide, in limited and defined circumstances, for powers to transfer the shares in, or property of, a bank to another person. Such a step should be taken only if there is a compelling public policy case for doing so, which we believe there to be in this instance. I hope that the Bill will receive its Second Reading today and that we can accelerate it through Committee, but I do not expect passing it into law to result in any significant impact on the UK's competitiveness for financial services.

The commercial debt relief expected under the HIPC initiative is less than 0.1 per cent. of the total debts of developing countries. The proposal is limited to a fixed stock of debt that has already been contracted, and it is clear that it will have no impact on new lending.

Mr. Chope: So what does the Minister say about the comments of the Alternative Investment Management Association, which states:

"The proposed legislation would damage the reputation of English law and make the City of London less hospitable to investors"?

Does he discount that as irrelevant?

Ian Pearson: I do not discount it as irrelevant. The association is entitled to its view, but I do not happen to agree with it. I have a lot of time for investment management—more so than many people in this House or in the country generally. It performs a vital function in ensuring that economies can get the finance they need in order to grow. I always consider carefully the views of associations that represent such companies, but I do not believe that what they are saying in this instance reflects the true situation. We are talking about a very small number of transactions overall.

The Bill introduced by my hon. Friend the Member for Denton and Reddish has been carefully calibrated, and the Government want to ensure that English law retains its status as a preferred choice of law for finance, and that the City retains its status as a leading financial centre. There is nothing in the Bill to jeopardise those aims in any way. I believe that the concerns about it have been overstated. Those expressing them do not necessarily object to the targeted measures in the Bill, but they say that they would not want them to go further. This point was raised by the hon. Member for South-West Hertfordshire when he spoke of the danger of setting a precedent. I do not see it in that way. In giving our support to the Bill, we have been careful to say that it needs to be carefully targeted and that we need to be cognisant of the legal position.

The best analogy that I can provide is that of the debate on the hunting ban. At the time, many people argued that if we banned hunting, the next step would be to ban shooting and fishing. The legislation that we passed, however, has not been the thin end of the wedge, and we have seen no subsequent measures to ban shooting and fishing. Those who put forward those arguments were wrong to do so and, similarly, those who say that supporting this carefully calibrated Bill will open the door to a far more extreme Bill that would jeopardise Britain's long-standing reputation as a leading financial centre have just got it wrong. It is not like that.

Mr. Chope: Is not the Minister's argument about precedent completely undermined by the fact that has just cited his own very controversial Banking Act 2009 as the precedent for what he is proposing today?

Ian Pearson: I cited the Banking Act as an example of a situation in which exceptional circumstances and compelling reasons—in that case, the need to ensure financial stability—allow contract law to be interfered with. In general, however, the presumption has always been in favour of the sanctity of contractual law. We are not tearing up contract law by supporting this Bill; far from it. We are ensuring that there will be fair treatment for all creditors when some of the debts of a HIPC country are being pursued by a small minority of unscrupulous creditors.

Ms Keeble: Does my hon. Friend accept that the arrangements relating to the wind-down of banks that were required as a result of the credit crunch—which led to criticism from Opposition Members—were necessary because the public could not continue to underwrite the UK banks' losses in an unsustainable way? There is a similar argument for initiating an orderly wind-down of the debts of developing countries. Again, this would protect the interests of British taxpayers, who are having to underwrite those losses as well.

Ian Pearson: My hon. Friend is right. She is not only an expert in debt relief but a distinguished member of the Treasury Committee, and she has followed these matters closely.

I used the Banking Act as an example in my argument about contractual law. It was exactly because there were compelling policy reasons that we enacted that legislation. That is why we acted in that instance, and I strongly believe that there is an equally compelling public policy reason to support the measures in this Bill, to which my

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hon. Friend the Member for Northampton, North has spoken so eloquently today.

The hon. Member for South-West Hertfordshire raised a point about creditors. Some people argue that they should be able to choose whether to participate in the arrangements, rather than being forced to do so. That would not happen in the case of a company insolvency, as we have discussed, and I hope that I have made the case that it would be unfair if one or two creditors were able to operate as free riders when everyone else had decided to participate in the initiative.

I believe in providing debt relief, on development and moral grounds. There is also a strong economic argument for full participation. HIPC debts cannot be substantially repaid without debt relief, and the HIPC initiative aims for all creditors to provide the level of debt relief that will return those debts to sustainability. The example of insolvency law is directly relevant here. Because there is no equivalent to insolvency for countries, they are vulnerable to the small number of unscrupulous creditors who refuse to participate in the necessary reduction of debt that has been agreed by sovereign member states, as well as by all the other international lending institutions and most other commercial companies that have made loans to the country in question.

This is a classic free-rider problem in economic terms, and the situation is being exploited by vulture funds. The Bill is designed to stop that happening. Debt relief is funded by the UK taxpayer, and I am enormously proud of what we have done in the United Kingdom in that regard. Without action, however, our efforts risk being undermined by the small minority of unscrupulous commercial creditors, with that money being diverted to investors.

The hon. Member for South-West Hertfordshire is right to mention that this is not just about vulture funds, given that the legislation as drafted also refers to the original creditors. He is also right to say that roughly half the debts in question stand in the name of the original creditors.

The key aim of the Bill, as I understand it, is that all creditors provide debt relief as expected under the HIPC initiative; it does not discriminate between so-called vulture funds and more typical commercial creditors. The purpose of the legislation is to tackle unacceptable behaviour rather than certain types of fund. Once there has been wide agreement on debt relief and the necessary reductions, I think it just wrong for any creditor to be able to turn around and say, "Well, we are not having that; we do not agree to that," when everybody else has, and then to seek to pursue the full commercial debt.

I am clear that creditor rights are vital to smoothly functioning financial markets and they should be altered only in exceptional circumstances. That, however, is what I think this Bill does—these are exceptional circumstances because the international community has come together to agree to debt relief as a solution to what has been a decades-long debt crisis. It has commanded support from all the major creditor countries and from very many commercial creditors. Governments have taken the steps they can to reduce the problem without legislation, but although it has been reduced, the problem remains. A piece of legislation tightly targeted at a fixed and limited stock of historical debt owed by the poorest countries provides an important means of tackling the problem.

As Members will be aware from reading the Bill, future lending is explicitly excluded from its scope, which is fundamentally right. To address directly the point raised by the hon. Member for South-West Hertfordshire, the main argument of those who say that the Bill will not benefit developing countries rests on the assumption that commercial lenders will be put off making them loans in future. It cannot be clearer in the Bill—it was also clear from what my hon. Friend the Member for Northampton, North said when she introduced it—that future lending is explicitly excluded from the Bill's scope. I thus see no reason why the Bill should affect future lending. In providing a solution to the problems of vulture funds and of creditors acting in what I believe is an unscrupulous way, it provides a real and tangible benefit to countries affected by having their debt pursued in the UK courts.

That brings me to the question raised about what other countries are doing. My hon. Friend the Member for Northampton, North has had meetings in the United States to discuss proposals for legislation, but it would not be right for me to speculate on the chances of such legislation passing through Congress. It remains the case that what we are doing in the UK is leading the way internationally, just as we have led the way in many aspects of the debt relief agenda over the past 10 or more years. We can be proud of that. It is nevertheless helpful if other countries produce similar legislation in their jurisdictions, and we want directly to encourage and support other countries to do that. The fact that the US is considering the issue at various levels is very welcome news, as it is obviously a major jurisdiction when it comes to the enforcement of debts. We would like other countries to follow the UK's lead, as I said.

Let me conclude by repeating that the UK can rightly be proud of its international leadership in this area. The debt relief initiatives that we have introduced have played a key role in helping to lift millions of people out of poverty and to lay the foundations for sustained development in 40 of the world's poorest countries. Part of the benefit that should result from the Government's support, however, is being diverted by a small minority of unscrupulous commercial creditors that seek to extract full repayment rather than participate in the HIPC debt relief initiative. The Bill will prevent that from happening under UK law enforceable in the UK courts, ensuring that all creditors participate in reducing debts to a sustainable level. That is the moral thing to do, but it is also economically logical and will make more effective the development aid that we all, as taxpayers, fund.

The reasons for supporting the Bill are compelling, and I am glad to be able to do so today. I hope that Members across the House will join me in helping to make the Bill law by agreeing to its Second Reading today.

11.7 am

Mr. Christopher Chope (Christchurch) (Con): I shall not divide the House on Second Reading, but I would like to put on record some of my reservations and concerns about the Bill. I do not think that the Minister has adequately addressed the concerns expressed by

investment managers about the Bill's impact on the ability of countries suffering from substantial indebtedness to be able to obtain commercial support in the form of loans in future.

One example, which has already been cited, is what happened in Zambia. The Romanians supplied agricultural equipment to the Zambians and expected them to pay for it. I imagine that the Zambians would have had resources from grant moneys and overseas aid from other countries to enable them to purchase that agricultural equipment, but they defaulted on the debt. Ultimately, the entitlement to the debt was transferred to another organisation, which then sought to obtain a judgment against the Zambian Government. If the Zambian Government are to be allowed to get that equipment without paying anything for it, it surely defies common sense to suggest that, with no effective guarantee that the loans would ever be repaid, many people across the world would in future queue up to provide agricultural equipment backed by commercial loans to countries such as Zambia. That is one of the fundamental problems with this well-intentioned Bill.

I am also very concerned about the retrospective nature of the Bill. We are talking about organisations that have obtained judgments in our courts, only to find that Parliament, at the behest of the Government, is seeking to intervene to prevent those judgments from being enforced either in whole or in part against the judgment debtor. That can be justified only in the most extreme circumstances, and I do not think that the Government have set out those extreme circumstances.

Consequences flow from that. First, there must be a big question mark over whether the Bill's provisions are compliant with the relevant articles of the European convention on human rights. We know from the background material that leading counsel's opinion is that the existing provisions would be contrary to the ECHR. The Minister has not been able to assure us that the concerns of leading counsel in that respect have now been allayed as a result of anything the Government have done, so I regard that issue as still very much at large, and think that it is highly debatable whether the Bill is compliant with the ECHR, for the reasons I have set out.

If the Government's argument is that there are compelling reasons justifying the unusual stance that has been taken, my argument would be that those reasons are less compelling in respect of retrospection, where judgment has already been obtained for the debts. If we take a look at the detail, we see that this legislation could be applied in various ways. The Government have chosen the most wide-ranging interpretation—and therefore, in my view, the most oppressive interpretation. It is also potentially the most inimical to the British system of justice, because the following is bound to happen: whereas at present many of these international contracts are drawn up in accordance with the provisions of English law and then are justiciable in the British courts, if we are unable in future to demonstrate some consistency in how we organise our legal affairs in this country, potential creditors will engage in forum shopping and make sure that the contracts are drawn up in law other than English law and that the forum where they are determined are courts other than the British courts. That would undermine our system of justice. As a result of history, we have, in London in particular, an international forum for resolving international disputes by both arbitration and litigation, and that provides employment to a lot of people. Anything that is done that, unwittingly or otherwise, has the consequence of undermining that very important part of the British economy can only be bad news.

I therefore have strong reservations about the Bill on the basis of human rights and because I think the law of unintended consequences could apply. At a time when our country is teetering on the brink of losing its triple-A rating as a result of the extraordinarily reckless way in which the Government have managed our national finances over the past few years, it ill behoves us to start saying that we do not think people who have incurred debts as a result of commercial transactions should be liable for them. Government-to-Government lending is a completely different issue; that is a matter, ultimately, for the taxpayers of the Government who have been doing the lending and who decide not to pursue the repayments. However, in terms of commercial loans in the private sector, the consequences of the Bill's measures will be dire in the extreme, and will ultimately prove to be to the detriment of third-world countries.

My heart goes out to the people of heavily indebted poor countries. They are heavily indebted because, for the most part, their leaders have been corrupt. We need only take a look at the leaders of Liberia and other countries. Many of them have substantial funds in, for instance, Swiss bank accounts. For such countries that are essentially corrupt, we seem, in effect, to be saying that we should indulge that corruption by writing off these debts, even when they have been incurred as a result of commercial transactions.

I hope that this matter is looked at in much greater detail in Committee. There must not be a knee-jerk reaction, when people say, "Well, this sounds like a good idea; let's go ahead with it." Instead, we should take a careful look at the consequences that would flow from the Bill in its current form.

11.15 am

Ms Keeble: The hon. Member for Christchurch (Mr. Chope) has talked about some of his concerns about the Bill. They are shared by others, but they are not well founded or substantial, and I shall deal with them in the course of my remarks.

First, let me say a few words about the general point of the Bill. When the history of these times is written, I am sure that one of the great movements that will be noted is the great flood tide of international opinion in favour of ending global poverty. The response to the Ethiopian famine of the 1980s grabbed public attention in a way never seen before, and harnessed public opinion across the developed world. The formulation of the millennium development goals, with their targets for creating a better world, have been worked through national Government and international organisation mechanisms to produce real change. The Make Poverty History campaign motivated the public in the richest countries in the world to force our leaders to commit to ending the scandal that gives a child in Africa a fraction of the life expectancy of a UK child, not to mention the very much lower chances of getting an education, health care, a job or even—tragically, in this day and age—enough to eat each day. As well as the issues of increasing aid, of improving trade and of governance—about which the hon. Member for Christchurch is absolutely right—an

[Ms Keeble]

important aspect of this world opinion has been the understanding that a poor country cannot develop if it is shackled by debt, and that is what this private Member's Bill addresses.

Governments have already taken steps to write off debt—the hon. Gentleman referred to that—although some countries do not subscribe to the consensus view on that, so there is still work to do. Consideration must, for instance, be given to the situation for countries such as China; its investments in Africa and how those are working should be addressed. There has also been genuine progress on the cancellation of public debt, and I talked about that in my earlier speech.

This Bill deals with the rest of the commercial debts. It deals with the creditors who will not voluntarily, either out of normal commercial interest or for ethical reasons, engage with the debt cancellation process, and who remain outside the international consensus and the international mechanisms for dealing with developing country debt, instead aggressively pursuing the debts at the expense of the poorest people in the world. Therefore, the Bill addresses a small part of a very big picture.

That is an account of the broad idealism that has driven everyone who has been involved in the whole movement to address debt cancellation and world poverty, but the hon. Member for South-West Hertfordshire (Mr. Gauke) drew our attention to the Bill's details, and he was right to do so because they need to be looked at. He identified three big issues, but I counted four. I hope his maths improve if he is to find himself on the Opposition Treasury Front Bench.

Mr. Andrew Robathan (Blaby) (Con): Or the Treasury Front Bench.

Ms Keeble: No, not the Treasury Front Bench. The Opposition need to be numerate as well as our own, very numerate, Minister.

Of course, contractual rights are an issue, but I think the Minister dealt with some of the key points. Remarks were made about the need for orderly wind-downs and orderly management of debts. There are arguments on that, and also on the trade-off between the contractual rights of people who hold debts and the public purse, which has to fund public services at the same time. That trade-off has been of acute concern here in the UK, and it also reads across to issues to do with debt management on the international stage.

However, this measure involves not just a whimsical ripping up of contracts, but the pulling of vulture funds—the outriders of capitalism, as it were—into a complex, internationally agreed process that calculates how much such countries can afford to pay and then makes arrangements for that amount be paid, while providing the necessary due legal process. So this is not an irrational, whimsical or illogical process but part of internationally agreed—and debated to death, probably—procedures and mechanisms.

The hon. Member for Christchurch said that the situation is different if the relationship is Government to Government, but one problem is that we cannot divide off the public and private sectors in this area—or, indeed, elsewhere. Government-to-Government relations for dealing with the debt cancellation that we have undertaken are underwritten by the British taxpayer, and I see no reason why such an arrangement, which is working in a constructive way at our constituents' expense, should be ripped off by firms that decide they are not going to play ball and are going to do something different. Of course, the debts that are being pursued most aggressively—the hon. Member for South-West Hertfordshire raised this issue—are bought on the secondary market. I am not sure, but I think the Romanian debt was a Government debt that was then bought on the secondary market, so the divisions that the hon. Member for Christchurch referred to cannot be quite so neatly drawn.

The hon. Member for South-West Hertfordshire also dealt with human rights. Human rights compliance obviously has to be written off or dealt with in the legislation, and that issue will be looked at in Committee. He also raised the question of who this measure will benefit and whether it will benefit developing countries, which is a big issue. Various figures were mentioned, and the one that I have been working on is £1.2 billion, which is the amount currently in process. It can almost be argued that that figure is too small. I think it is about the size of the RBS bonus pot, so from that point of view it is not a vast amount of money to legislate for. However, as has been discussed throughout consideration of the Bill, it is money that is intended to tackle some of the worst poverty in the world, and what it can buy in the way of services in countries where services are needed is absolutely massive.

Mr. Gauke: The figure of £145 million that I quoted comes from the Treasury's own impact assessment and is the transfer from the creditors to the HIPC states. I quoted that figure because it is the Government's own estimate, rather than the £1.2 billion that the hon. Lady quoted.

Ms Keeble: I think the £1.2 billion is the amount currently in the process of being sued for in all the actions that have been referred to. So the amount that the HIPC countries will be deprived of if the Bill is not enacted is about £1.2 billion—*[Interruption.]* Okay, but it would make a very significant difference in terms of what it could buy in the way of services for the countries concerned, so this legislation would be effective.

On the risk premium, one argument is that although the measure might provide this little bit of money to developing countries—£145 million, or whatever it is—because it will increase the cost of credit for those countries, in the long run it will be damaging. That view has also been put forward by some commentators in their submissions, but it is not well founded for several reasons. The measure will certainly increase the risks for the vulture funds—and a good thing, too. If it discourages them from taking actions that are unacceptable, or denies them the opportunity to make cheap money at British taxpayers' and developing country populations' expense, then we should recognise, as my hon. Friend the Minister said, that those are the morally repugnant activities that it is intended to prevent, while allowing for orderly wind-downs.

As is clear in the Bill and as my hon. Friend the Minister pointed out, future debts are specifically excluded, and rightly so, because the Bill deals with the HIPC process, which relates to historic debt. Therefore, the Bill will not increase the risks for the future. However,

there is a much bigger issue. The hon. Member for Christchurch talked about the appalling track record of some developing countries, and about Government corruption, Swiss bank accounts and so on. The thing that will really encourage proper investment and the proper handling of debts and credit in developing countries is their having sound, growing economies, good governance, strong institutions and all the other things required for stable growth in the long-term. That is what will give investors the greatest confidence, and it is precisely what the HIPC process is designed to bring about, as my hon. Friend the Minister said. It is not just a question of saying, "Oh dear, these people can't pay their debts. They are a basket-case—we are going to write the debts off." It is about deciding how we handle the development process for these historic debts, which have shackled such countries in a terrible way and left them vulnerable to exploitation by the vulture funds, so that they can build more secure futures. That is precisely what responsible, ethical, sound investors would want to see happen in these countries, and this Bill is part of achieving just that.

It is really important that this Bill gets through all its stages and on to the statute book, and I am very grateful for the support of the hon. Member for Hazel Grove (Andrew Stunell). We obviously could not get through all the stages today because, rightly, it needs scrutiny and discussion and people need to see that happen so that they can be reassured. However, we do need to get it through before the election and time is limited, so I hope we can get Government time for Committee stage, and Opposition support for that. I urge my hon. Friends who are the business managers, and the hon. Member for South-West Hertfordshire, to ensure that that happens, because there is a further issue at stake: the credibility of this House and of our processes.

What the many people who have a burning passion for and interest in this subject will have heard this morning is that there is a real economic logic to the proposals in the Bill. There is also an ethical imperative; indeed, I think this is the first time I have heard a Minister describe something as morally repugnant—certainly a Treasury Minister talking about financial activities. The Bill is therefore receiving stronger ethical support and a stronger push from the Front Bench than many other things do. It would also probably be supported by some 90 per cent. of the financial services industry, which operates in a completely proper way and has been involved in the writing off of some of the debts of such countries.

Mr. Chope: If this is such a popular measure, why does the hon. Lady think that—apart from herself, and she is promoting the Bill today—I have been the only Back-Bench contributor to this debate?

Ms Keeble: I think that people want the Bill to get on to the statute book, and they have not turned up here to object to it. With the distinguished exception of the speech by the hon. Member for Christchurch, who has a track record of ensuring that he puts the awkward questions—and rightly so—people will have heard that there is huge support for this legislation from all the parties, and that is unusual. They will say, "Well that's funny; everybody agrees with it, and everybody says that it is a good idea and that they want it to happen—so why hasn't it happened?" That is why it is important that if there really is a political consensus on getting this measure on to the statute book—and sooner rather than later, because things take time to get up and running again after an election—we take the opportunity to do it. This is not a matter of the political arguments, because we have been through them all and they have pretty much been won; this is a matter of the political will to manage the process. I very much hope that in the remainder of this Parliament this will all be achieved. I commend the Bill to the House and I hope that people will support its Second Reading.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Sustainable Communities Act 2007 (Amendment) Bill

Second Reading

11.31 am

Alistair Burt (North-East Bedfordshire) (Con): I beg to move, That the Bill be now read a Second time.

I have great pleasure in presenting this Bill which, as the House will note, is a short amendment to the Sustainable Communities Act 2007. That Act, and therefore this amendment to it, is the product of an extraordinary grass-roots movement that brought together two significant forces, both of which are as relevant today as they were three years ago: a concern that the sustainability of town and country life was being imperilled by myriad changes, gradually leading to a loss of facilities, large and small; and a sense of frustration that people were powerless to do anything to change the situation. This short Bill builds on both those sentiments.

I wish to outline briefly what the Bill is about and then remind the House of the forces that brought the 2007 Act into being. I hope to demonstrate what has happened since then: how early progress in implementing the provisions is encouraging and why, therefore, this short amending Bill is helpful and timely. I then propose to look in rather more detail at this Bill's provisions and I shall, of course, be pleased to respond to concerns or queries from the House about them.

My first task is to acknowledge that I stand on the shoulders of a number of giants who were responsible for the passing of the original legislation and who remain in close contact with the process of carrying out its intentions. At grass-roots level, Local Works remains the driving force of the campaign to revitalise local community through this effort in what might be termed "the new democracy". The House should acknowledge an extraordinary coalition of interests that has come together to support Local Works. The coalition includes the Federation of Small Businesses, the Campaign to Protect Rural England, the National Federation of SubPostmasters, Age Concern, Help the Aged, the Woodland Trust, the National Federation of Women's Institutes and the Campaign for Real Ale, to name just a few. Any idea or concept that can bring together so many people, not simply to pursue an abstract ideal, but to make something work in practice, has to be worthy of serious recognition.

Local Works sees its manifestation around the parliamentary estate mostly in the person of Ron Bailey, who is known to many of us. His hard work and his knowledge of parliamentary procedure are of immense benefit to us all, and I am very grateful for his help in putting together the background work for today's Second Reading debate. May I also acknowledge the help and support that some of the original parliamentary drivers of the legislatiop have given? In particular, I should mention my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd), and the hon. Members for Falmouth and Camborne (Julia Goldsworthy) and for Stroud (Mr. Drew). That powerful all-party coalition has also sponsored my Bill—their names are among others—so the House can see instantly that the Bill has attracted the all-party backing that was crucial to the passage of the Sustainable Communities Bill.

Once again, the leadership and efforts of Local Works have inspired an early-day motion. Early-day motion 143 has attracted some 348 signatures, which constitutes more than 50 per cent. of the Members of the House and a significantly higher proportion of Back Benchers, as can be seen once Government Members who are not able to sign such early-day motions are taken out of the equation. The motion reads as follows:

"That this House notes the success of the Sustainable Communities Act 2007 as the first step towards building a bottom up democracy; further notes the enthusiasm shown by local authorities across England in deciding to use the Act, with 100 councils having already used that process and a further 50 councils having stated their intention to do so at the next available opportunity, showing that nearly half of all councils wish to use the Act's process in the future; notes also the genuine cross-party support that the original Act commanded; and so supports the provisions of the Sustainable Communities Act Amendment Bill introduced in Session 2008-09 which would extend the 2007 Act by ensuring that the process of involvement established by the Act becomes an on-going process rather than a one-off event, by involving parish and town councils and their county associations in the process and by empowering citizens to petition their councils to use the Act if they are not already doing so."

This Bill builds on that early-day motion, which is well supported by Members of all parties.

The 2007 Act, which the Bill seeks to amend, had its Second Reading debate in this House on 19 January 2007. In moving that the Bill be read a Second time, my hon. Friend the Member for Ruislip-Northwood said:

"The Bill will make the Government more responsive to an issue that arouses genuine passion and concern—the problem of community decline in Britain. It will push the Government to go further in giving real power to local authorities and the people whom they serve. That is the only path to delivering sustainable communities that will stand the test of time."—[*Official Report*, 19 January 2007; Vol. 455, c. 1037.]

As the House of Commons Library research paper helpfully reminds us:

"The driving force behind the Bill was Local Works, a pressure group representing a sizeable coalition of organisations. The campaign began following the publication of studies by the New Economics Foundation entitled Ghost Town Britain. These highlighted, in particular, the decline in numbers of corner shops, grocers, banks, post offices and pubs which meant that communities and neighbourhoods no longer had easy access to 'such essential elements of both the economy and the social fabric of the country.'"

That brief précis can do little justice to an extraordinary series of meetings that had taken place around the country and engaged the interest of Members of Parliament of all parties. They found a vibrancy in both defending local communities and challenging the forces that had changed them, in some cases radically, which people feared they were powerless to stand against. While recognising the institutions of democracy in this country upon which we all rely, particularly local and national Government, the campaign expressed an unease that the modern working of these institutions seemed to leave communities and people behind. What was needed was a new way of engaging with them, which would not circumvent their democratic powers or those of local authorities, but would complement them by suggesting a radical process for the presentation and consideration of ideas.

On 12 July 2007, Lord Marlesford said, in moving that the Bill be read a Second time in the other place, that

"the campaign had to take a view on what we were seeking to achieve in place of ghost town Britain. The answer must be sustainable communities. Bearing in mind our starting point, that clearly meant the reversal of the decline in local economies, services and communities highlighted in the reports that I mentioned. But sustainable, healthy communities should also be environmentally sustainable. They should be inclusive and encourage citizen participation; otherwise they will not be sustainable as communities. Hence, the four limbs were: promoting local economic activity, the environment, social inclusion, and citizen involvement. What is certain is that this problem will continue unless action is taken to stop it." [*Official Report, House of Lords*, 12 July 2007; Vol. 693, c. 1565.]

The principal aim of the Act therefore was to promote the sustainability of local communities, which meant encouraging the improvement of economic, social or environmental well-being. The mechanism of delivery would be for local communities to work with their local authorities, following the invitation of the Secretary of State, to make proposals that would contribute to promoting local community sustainability. These proposals, which, by definition, would be drawn from a wide range of groups and organisations interacting with their local councils in an innovative way that is typically described by many of us who are involved as bottom-up rather than top-down, would go on to be evaluated by a selector. That selector became the Local Government Association, which would use its skills, expertise and experience to draw up a shortlist of proposals to offer to the Secretary of State. It would then be the Secretary of State's job to come back to explain what he or she would like done with the proposals and how they might be implemented.

A further radical part of the Act was to require transparency in detailing what public money came into a local area through the publication of local spending reports. That would enable the public to see at a glance exactly what was being spent in an area, what was committed and what might be deemed to be discretionary and could therefore be transferred to a different area of community priority. We will return to these local spending reports, perhaps, a little later.

It was a considerable success for my hon. Friend the Member for Ruislip-Northwood to get that Bill passed. It had initially met with some scepticism from the Government, but through the honest and patient work of the hon. Member for Oldham, East and Saddleworth (Mr. Woolas), when he was at the Department for Communities and Local Government and, in particular, of his then Parliamentary Private Secretary, the hon. Member for West Ham (Lyn Brown)—I am delighted to see her in her new place as a Whip on the Government Front Bench—a constructive relationship was formed that enabled the Government eventually to support that Bill once it had been through Committee and the process of refinement that that involves.

The practical impact of all that was that the right hon. Member for Salford (Hazel Blears), then the Secretary of State for Communities and Local Government, issued an invitation on 14 October 2008 to local authorities inviting them to make such proposals as were suggested in the Act. The process was thereby triggered and 100 local authorities submitted proposals in the first round. All in all, 301 proposals were submitted, and of these, 199 were shortlisted by the LGA in its role as selector. They are being considered by DCLG, but no decisions have yet been made.

The bare figures are only one part of the story, however. A number of different sources provide testimony to the impact not only of the original campaign but of the Act on local communities that have been stimulated to take part in the process that originated in the legislation. I shall quote from some of them.

Councillor Keith Mitchell, chairman of the LGA selector panel, said after the first round:

"It is great to see so much enthusiasm from councils, ready to expand their responsibilities to do everything they can to make life better for their residents and we would expect nothing less.

The proposals which have been submitted are practical responses to specific local conditions, plans which councils are uniquely placed to be able to generate and upon which they can act. Unsurprisingly the recession is a strong theme as councils look to continue their efforts to offer support to local businesses and vital assistance to local people... Innovative projects will be created in many parts of the country as a result of these ideas and some will no doubt be rolled out more widely where they are shown to have the potential to improve things on a larger scale."

Let me give one or two particular examples.

A Hackney resident was delighted to find, after he had worked with local residents groups and made a suggestion to Hackney council, that his proposal had been submitted to the LGA and shortlisted, and that it is now before the Secretary of State. His idea was subtly to change the planning rules for betting shops—Hackney currently has the highest concentration of betting shops in the country. A Wiltshire librarian, Mr. Brian Purvis, suggested increasing the tax on chewing gum to help to cover the expense of clearing it from the pavement. His proposal, one of 20 shortlisted by his county following the introduction of the Act, has reached the LGA's shortlist.

Evidence also shows that councils have made positive efforts in the first round to involve under-represented groups. For example, in Islington the proposals went to a newly formed panel for consideration. The panel included residents from groups with which councils had traditionally struggled to engage, as well as forum members of such groups. It included a blind resident, a resident with learning disabilities and a resident—with an interpreter—who spoke English as a second language. Another example was the "Making Chorley Smile" panel, which included a range of people of varying ages, gender, ethnicities, residence and employment status. Paul Scriven, the leader of Sheffield city council, said of the first draft proposals from Sheffield's citizens panel:

"This is the first time anything has been endorsed by the council's cabinet that has been drawn up by local people rather than the other way around. It's so refreshing."

Let me give two or three more examples from different parts of the country. South Hams district council suggested that Government and local authority housing and planning requirements should be amended to allow private individuals and non-profit groups to build affordable homes for their own use. Teignbridge district council suggested that the Government should acknowledge the role of community land bank trusts and ensure involvement at a local level in future housing development. Liverpool city council suggested that post offices should not be closed until the local co-operative development office has been given the time and training budget to see whether an increase in capacity could result in local people taking over the management of the premises. Bearing in mind what my Front-Bench colleagues were saying last week about the co-operative principle, which

[Alistair Burt]

I am delighted to see is alive and well on these Benches, the idea that groups of people can come together and put forward such a proposal seems a good thing.

Mr. Brooks Newmark (Braintree) (Con): May I give another excellent example of that? The Government sought to close a series of rural post offices in my constituency, but there was uproar in the local community. Essex county council was sensitive to the needs and demands of local people and gave the extra financial support that was needed for a short period of time effectively to give those post offices a second chance. The community said that they wanted to use them, so Essex county council said, "Okay, we will give you another x months." More people then went in and made a post office sustainable whereas it once had not been.

Alistair Burt: My hon. Friend cites an admirable example of local community involvement provoking a change to what might otherwise have happened. The Sustainable Communities Act has allowed more of that to be engendered around the country and has given people the sense that they have some power.

Let me digress for a moment before I come to the substance of the Bill. This has all posed serious issues for those of us in representative positions. We have taken it for granted for a long time that we do this job—people come to us, we make the decisions, we organise, we tell people what to do. When there is enormous trust and a clear bond between those who are elected and those who elect them, that is fine. However, experience in recent years has shown that that bond has been more difficult. We have seen the numbers of people voting at local council level decline steadily. We have had our own issues with the number of people voting in general elections in recent times and, of course, we have had the issues in relation to the authority of this House, which are too well known and painful to bear repeating. So to create a mechanism that encourages people to engage with their local authorities and with Government in a new way has been refreshing and exciting. My hon. Friend the Member for Braintree (Mr. Newmark) illustrates how something can happen as a result of that positive engagement, and this new Bill is coming along to keep that going. I shall return to that point in a moment.

I shall give one or two other examples of local authorities making use of the proposals under the Act. Hackney borough council suggested the introduction of wider powers for councils to reflect residents' views and influence the shape of local high streets, where the concentration of particular kinds of businesses can mean that the needs of local people are not met and local communities cease to be sustainable. Planning is an issue that has surely crossed all our desks at various times, when local communities seem, almost to a man and woman, to be against a particular proposal or have some particular idea, yet for some reason in planning law those views are not taken into account. Inspectors' decisions always seem to follow a line that the community cannot follow, and people wonder why their voice is the least heard voice in the entire process.

As a final example, the Bristol city council panel proposed amendments to the Local Government and Housing Act 1989 to support the employment in local authorities of young people and people with learning difficulties. Thus, a range of ideas has been presented under the original Act.

With all that in the pipeline, what need is there for the Bill? Successful though the previous Bill was in becoming an Act, there were one or two areas where, on reflection, more might have been done to fulfil the objectives behind the campaign and the Act. This Bill seeks to redress those omissions. Rather than wait for settled practice to surround the Act and an amendment to be made to it at a later stage, I, together with those who signed the early-day motion, which I remind the House is a majority of its Members, and campaigners outside believe it would be helpful to make changes now, before the procedures associated with the Act become set.

At this point I should mention a technical matter. The long title of the Bill needs a short amendment. The House will be aware that the purpose of the long title is to ensure that when the Bill is drawn up in more detail at a subsequent stage, all the various elements have been captured at the time of First Reading. What is unusual today is that I hope to take the Bill through all its stages in the Commons at one time. Accordingly, I wish to give notice that should the Bill go into Committee, I will move a short manuscript amendment which, I believe, is available on the Floor of the House. It proposes that in line 1 of the long title, the words from "2007" to the end of line 3 should be left out.

The amendment is designed with two aims—first, to remove the word "town", as legislation does not make specific mention of town councils. They are considered to be akin to parish councils, for which statutory definitions exist. Secondly, the amendment would knock out the word "expenditure", as there is no expenditure involved in the Bill. Both the Table Office and the Clerks have been informed of the proposed manuscript change.

The substance of this short Bill is twofold. The intention behind the original Act was not to engage the interest of the community for a one-off round of proposals, which would then be subjected to scrutiny and eventual decision. It was, rather, to involve the public in a process with their local authorities and government, but no specific provision was made in the original Bill for a continuing process, despite the intention. This Bill seeks to achieve that. It therefore requires the Secretary of State to specify the date on which an invitation to make new proposals by way of a second round should be issued. This notice must be given by 1 January 2011, as set out in clause 2(2).

We have got where we are today following negotiation with the Department for Communities and Local Government and with the Under-Secretary of State for Communities and Local Government, the hon. Member for Stevenage (Barbara Follett), who is here today. I thank her and her officials who assisted her in arriving at this point. Those of us promoting the Bill have not got everything that we sought at the outset, but we have come to what we think is a realistic estimation of what can be achieved, and we are grateful to the Minister and her officials for assisting us to get to this stage.

We believe we have a clear understanding that under clause 2, where we suggest in proposed new section 5B the power to make new regulations, this will allow for further proposals to be made in future and those regulations will be used to create the continuing process that we are looking for, having got one new starting date included

in the Bill. I am particularly encouraged by the comments made by the Secretary of State in the House on 26 January:

"I see no reason why the Act will not form a permanent part of the local-national relationship in this country." [*Official Report*, 26 January 2010; Vol. 504, c. 667.]

Although the Bill contains only the date for the second round, we fully envisage that proposals will come forward for future rounds through the regulations and that they will make provision for that.

In support of this part of the Bill, the Local Government Association says in its briefing for the debate:

"The LGA Group supports the content of the proposed legislation. Councils supported the introduction of the original Sustainable Communities Act in 2007, recognising the unique opportunities it provided them to bid for additional tools to tackle issues specific to their locality. The LGA is specifically supportive of the proposals within this Bill to introduce a further round of submissions. This will remove some of the uncertainty which currently encompasses the future of the current round of proposals."

Councillor David Shakespeare, the leader of the Conservative group on the LGA, said:

"It is vital that this process"—

he was referring to the process initiated by the original Act—

"is continued . . . This new Bill will mean that the 'proposals to government process' ushered in by the 2007 Act will continue: a date for this and a stated ongoing process are essential—otherwise enthusiasm will turn to yet more cynicism about local political involvement.

Action is needed, anything less will send another negative signal to voters and lead to further withdrawal from activity."

Councillor Richard Kemp, the leader of the Local Government Association's Liberal Democrat group said:

"It is crucial that the…process is ongoing, so that the involvement and engagement can continue. The Amendment Bill will ensure that the Act's process is ongoing."

Others who supported the original Act through Local Works have also made their support clear.

Peter Bottomley (Worthing, West) (Con): My hon. Friend has kindly quoted the Local Government Association's support, and earlier he referred to the campaigners, but will he inform the House of the main campaigners and pass on our gratitude to them for their success with both the original Act and this Bill?

Alistair Burt: Indeed. I made a reference to the campaigners at the beginning of my speech, but I am happy to reiterate it. Local Works drew together a wide variety of bodies that campaigned for the legislation, and there was a substantial list, which I shall briefly repeat: the National Federation of Small Businesses, the Campaign to Protect Rural England, the National Federation of SubPostmasters, Age Concern, the Woodland Trust, the National Federation of Women's Institutes and the Campaign for Real Ale—the one that we all cite, because anything that keeps CAMRA on our side is exceptionally good news. I also referred specifically to Local Works, and to Mr. Ron Bailey for his indefatigable work in promoting the legislation.

For my hon. Friend's benefit, I must also say that, at each and every stage, everyone who is represented by a national organisation or title drew their strength from what has been going on right the way through at a grass-roots level. He will know the efforts that have been made to support his local hospitals, which were under threat from the processes that the Department of Health initiated. A strong local community came together in Worthing, looked at the availability of finance and thought, "Is this something we could get into in future so that, when the totality of spending in an area is considered, we might have some say even on these very big decisions?" The scope of the 2007 Act has yet to be determined, but my hon. Friend will have particular experience of working with and, indeed, leading local opinion in his area when confronting a national decision on which local people have said they deserve a voice. To an extent, this debate is a reflection of that happening throughout the country.

Another key proposal in my Bill is to refer more specifically in the process to parish and, by implication, town councils. The involvement of parish and town councils was very much in the minds of the promoters of the original Bill, but their role was not stated explicitly and became lost in the proceedings. The determination of such councils to be more explicitly involved has influenced our negotiations with the Minister and DCLG, and it is reflected in the regulations under proposed new section 5B of the 2007 Act.

I have some 50 parish councils in my constituency, together with the town councils of Arlesey, Stotfold, Biggleswade, Sandy and Potton. No Member who engages regularly with their local parish and town councils can doubt their effectiveness or their involvement in so many matters that affect the daily lives of the communities that we seek to represent. I meet my local parish and town councils regularly, either individually or more often as groups, to discuss subjects ranging from traffic, crime, planning and how to care for the most needy in their area, to unemployed youngsters.

I have parish councils that wish to take advantage of the new processes in order to enhance their status, and others that are content to remain as they are, and have been for many years. When I was approached about the Bill, I felt particularly strongly that their involvement with proposals that emerge from their communities should be more explicitly stated. On behalf of such councils I am pleased that that has been recognised by the proposed regulations in the Bill, and by the Minister's comments during our discussions.

I shall again cite proceedings in the other place, quoting two comments that show the importance of parish councils not only to this House but elsewhere. On Second Reading in the other place, Lord Cameron of Dillington said:

"I was sorry to see that the earlier intention of giving more direct control to parish councils got squeezed out in the Bill's passage through the other place, and that it is now the principal councils that have control. However, I am glad that they are specifically obliged to have regard to parish plans. One of the biggest bugbears of parish councils is that, having gone through the often rigorous process of devising a parish plan, they then find that no one in authority pays any attention to it. As your Lordships will be aware, parish councils have all too little control over the future of their community, either in terms of planning decisions or meaningful spending powers. Anything Parliament can do to help in that respect is most welcome." [*Official Report, House of Lords*, 12 July 2007; Vol. 693, c. 1573.]

I have a final quote from the other place. The late and much lamented Lord Bruce-Lockhart noted:

"I support the noble Lord, Lord Cameron. Devolving to parish councils is extremely important." [*Official Report, House of Lords*, 12 July 2007; Vol. 693, c. 1574.]

[Alistair Burt]

That endorsement from Sandy Bruce-Lockhart for parish councils is particularly important: hardly anyone in either House of Parliament was more respected in local government circles than Sandy Bruce-Lockhart, who understood the workings of local government and devoted his life to it in an extraordinary way. I appreciate this chance to pay a brief tribute to him. He spent most of his life at the other end of the local government spectrum; it is particularly important that he should have recognised the importance of parish councils.

Having set out the basic provisions of the Bill, I should help the House by indicating some of the stimulus behind bringing forward the Bill at this point. As I said, those promoting the legislation at grass-roots level saw the need to continue their efforts and have strongly supported the process of saying that more needs to be done. Quotes from some of the people whom Lambeth borough council involved with the original processes show that this matter is not just for aficionados and those in the know; it gets right down to those involved at the grass-roots level. Julian Kirby, a Lambeth resident, wrote to his council:

"I am pleased to see you're already asking for ideas re the next round of the Sustainable Communities Act. Unfortunately my input is going to be negative, though I stress this is not aimed at the council.

As you may know, central government have not yet announced a date for a second round. Until they do is there any point in asking for involvement for residents? Why would residents want to get involved when we don't even know a timetable or a process for submitting more ideas?

Whilst I was excited to see this Act become law I am now worried that it will just be a one off."

Well, Mr. Kirby, it will not just be a one-off because our determination and the determination of your council, the House and the Minister is that that should not be the case. I have just given an example of how at absolute grass-roots level people know about the Act and want it to move on. The National Association of Local Councils, which supports parish and town councils, is particularly keen, on behalf of the hundreds of parish councils and their thousands of members, for the Bill to be taken forward.

In view of the late point of the parliamentary process at which the Bill is being introduced, I hope that it might be possible to complete all its stages here today. I fully appreciate that that is an unusual request, and it is one that I would not normally be part of. However, I want it to happen for three particular reasons.

First, as I have said, there is a need for the Bill, as set out by those campaigning for it and those who see the need for amendment now. Secondly, and particularly importantly, the principles of the original Bill were extensively argued in this place a very short time ago. The original Act started as a private Member's Bill that went through all its stages, with a great deal of discussion, and with amendment and reflection. The amendments that I propose today do not involve any new principle that has not already been discussed extensively by the House.

Thirdly, before we reached Second Reading there was extensive consultation, with the support of Local Works and others, with all colleagues in the House. On more than one occasion, I have made available to colleagues the original draft of the Bill and the subsequent draft, with a clause-by-clause description inviting the comments of colleagues. I was prepared to deal with concerns as and when they came up. I have tried to be as transparent as possible in these relationships, to enable us to contemplate taking the Bill through all its stages today. I appreciate how unusual that would be and how unusual it would be for the House to allow it.

So there we are. This is a relatively simple two-clause Bill. It deals principally with the opportunity to keep the Act going, to assure the public and councils that it was not a one-off, to provide for regulations proposing its further continuation, to place the importance of parish and town councils more in the Act and more in the mind of the Government, and to allow the possibility of regulations on petitioning councils that do not wish to take part in the process, so that their local communities might also feel engaged and involved.

The Bill comes with the hope that we might be able to take it through all its stages today, because of the shortness of time left in the Session and given the explanations offered to the House three years ago when the Act was originally considered and the processes that we have undergone since then to make people aware of what it is about. It has the support of the majority of the House, as expressed through the early-day motion, and of those outside, so I hope that it will go forward.

12.5 pm

Mr. Paul Keetch (Hereford) (LD): I will not detain the House long, because there is broad consensual support for the excellent work of the hon. Member for North-East Bedfordshire (Alistair Burt) and others. That work has involved not just colleagues in the House such as my hon. Friend the Member for Falmouth and Camborne (Julia Goldsworthy) but, as the hon. Gentleman demonstrated, a huge number of outside bodies from CAMRA down that support the amendment to the 2007 Act.

The Act has already led 100 councils to put forward more than 300 issues, which demonstrates how important it is for local involvement. The Bill would encourage the development of the Act in an important way, by creating the rolling, ongoing programme that my hon. Friend the Member for North-East Bedfordshire described, by involving parish and town councils—that would be particularly important in rural areas such as Herefordshire—and, as he said, by allowing citizens to petition their local authorities to ensure that they take part. I am sure that all parties support those sensible suggestions.

I hope that we will be able to take all stages of the Bill today. The most important thing about the Bill is that it would increase the engagement of local people in the democratic process, and surely the House should support wholeheartedly anything that can do that. I add my support and that of my colleagues.

12.7 pm

Mr. Stewart Jackson (Peterborough) (Con): It is always a pleasure to follow the hon. Member for Hereford (Mr. Keetch), who was having trouble projecting his voice. None of us was expecting to be called to share our thoughts with the House so soon, but I will make quick progress.

I begin by paying warm tribute to my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) for having been successful in obtaining a high placing in the private Members' Bills ballot and for his generous, sincere and erudite speech. He outlined the progress of the 2007 Act through the House, and he took a cross-party, consensual approach to it and to his Bill. It is appropriate for me also to pay tribute to all the Members who were responsible for the original Act, including the hon. Member for Falmouth and Camborne (Julia Goldsworthy), with whom I cross swords from time to time, the hon. Member for Stroud (Mr. Drew), who sometimes ploughs a lonely furrow on the Labour Benches, and of course my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd), whose Bill became the 2007 Act.

As has been said, the Bill is straightforward. It would require the Secretary of State to invite local authorities to submit a further round of proposals to be considered under the 2007 Act, and publish regulations regarding the future process, and the extension of the qualifying organisations that make proposals under the Act beyond local authorities.

It would be apposite briefly to look at the main parts of, and the process and rationale behind, the 2007 Act, which was made up of 10 sections and a schedule. The Act added the word "sustainable" to the term "community strategy" and put into legislation the duty for local authorities to consider the long-term sustainability of the communities they serve, which was already central to their thinking, and how local services and plans contribute to that sustainability. Specifically, it created a duty for the Government to produce a local spending report that details for each local authority area the amount of public money spent by all relevant central, regional and local agencies on services and projects in a given period.

The idea, as initially proposed in the Conservative party policy document, "The Permissive State", was that local authorities would be allowed to make recommendations on the allocation of any relevant spending in their areas by drawing up a local spending plan, but the Act is more circumspect, albeit a similar outcome could be achieved through section 3, which invites

"local authorities to make proposals which they consider would contribute to promoting the sustainability of local communities"

and states that

"a proposal may include a request for a transfer of functions from one person to another"

following consultation with partners. The Act also states that the local authority must

"establish or recognise a panel of representatives of local persons"

to be consulted on a proposal.

It would be remiss of me not to mention the wider context of the Act. My party, if elected to government, is committed to legislating for a power of general competence, which was promised by Labour before and after the 1997 election. That power synthesises with the ethos and philosophy of the Act and the Bill.

There is consensus on the Government's piloting of, and strong support for, Total Place—it is supported not least by the Treasury. Total Place ties neatly into local spending reports and the philosophy behind the Bill and the Act. It is important to see the Bill in that context—it is not necessarily a partisan issue.

I concur with my hon. Friend the Member for North-East Bedfordshire on the public meetings that have been held. My meeting, which was extremely well attended, was held at the Great Northern Hotel in Peterborough in April last year. There was lots of interesting debate and argument—and good will—and a willingness and strength of feeling on the part of the community to facilitate action by my local authority, Peterborough city council, and to get the maximum number of people involved.

My note of caution is that I am not entirely convinced that every Government Department is as committed as it should be both to the Act and to Total Place. I shall name a guilty party: the Department for Work and Pensions, which spends a significant amount of public money at local level, is not necessarily fully on message with that agenda.

With that caveat, I shall make some progress. As my hon. Friend said, local policy proposals have been extremely successful. There are a few concerns, but the Local Government Association is generally considered to have been successful in its important role as a national selector, assessing and shortlisting councils' proposals. That function has been successfully carried out and has drawn support from the four major party groups in the LGA. We know that the LGA reported on 5 August 2009 that nearly 300 proposals had been submitted by some 90 different councils. My hon. Friend mentioned the comments by Councillor Keith Mitchell, chairman of the selector panel, which were very positive.

According to the LGA, the next phase of implementing the Sustainable Communities Act 2007 will start in earnest in the next few months. The Government are required to reach agreement with the LGA as selector on which proposals to implement. The DCLG has not yet formally announced the format and timetable for this process, and a parliamentary answer on 4 February 2010 revealed:

"The Government are consulting the Local Government Association in its role as selector under the Sustainable Communities Act 2007 and are seeking to reach agreement on which of the 199 short-listed proposals should be implemented. Many of the proposals are complex and raise significant practical issues but the Government are anxious to make progress as quickly as possible on those proposals that offer practical benefits and new ways of meeting local needs."—[*Official Report*, 4 February 2010; Vol. 505, c. 531W.]

The LGA is lobbying for two key commitments. The first is for the process to be completed in a timely and effective manner, and the LGA would like the process to be completed by the Easter recess. The second is that the process should provide genuine opportunity for dialogue and negotiation. We would like a process that involves face-to-face dialogue at both senior official and member/ministerial level. It might be appropriate for the Minister to address that particular point when she responds to the debate.

We have heard of the excellent community-based initiatives and proposals put forward by a wide range of councils, and I shall not detain the House by rehearsing all of them again. They include authorities as varied as South Hams district, Hackney borough council, the excellent Conservative council in Hammersmith and Fulham, Southampton city council, Herefordshire county council and Bristol city council, which have all put forward eye-catching, forward-looking and progressive proposals.

[Mr. Stewart Jackson]

We have also heard about the organisations that have been responsible for driving forward the political will through the sometimes complex layers and checks and balances of our legislative and political system to get this on the statute book and get these proposals taken seriously. The proposals will have a demonstrable impact on the quality of life for many thousands, if not millions, of our constituents, so I pay tribute to those organisations.

My hon. Friend the Member for North-East Bedfordshire mentioned the early-day motion tabled by the hon. Member for Stroud in November last year, and it is worth mentioning that very few early-day motions attract so much support. All parties share a commitment to the issue, because it affects not only rural and suburban areas, but urban areas such as my constituency. The advantage of the legislation is that it is flexible and can be adapted locally. It is also dependent on the policies, strategies and behaviour of local councillors, who are directly responsible. So not only is there top-down pressure from the legislation and the responsibilities on local authorities, but community-minded people will put gentle pressure on their elected councillors to facilitate this progressive change. As we know, 346 hon. Members have signed the early-day motion.

The LGA is concerned about the proposed measures allowing the Secretary of State to publish regulations on the procedure for making proposals. Such regulations are likely to set out increased prescription around consultation, engagement with parish councils, and petitions, as well as cause confusion over the form, content and timing of proposals. According to the LGA, the resource implications for local authorities of participating under the Sustainable Communities Act should not be underestimated.

Many authorities have set up new consultation panels, run events and commissioned work to ensure that communities were genuinely involved in the process and to give hard-to-reach groups an opportunity to have their say. In addition, significant officer time is used to research and develop proposals to the level of detail required for them to be considered viable. The LGA argues that increased prescription would, first, threaten to derail the innovative practice that has emerged under round one around community engagement and consultation and, secondly, risks tying the process up in red tape. One of the strengths of the current process is the implicit acknowledgment that local councils are best placed to determine how best to engage with local communities and determine the content and form of proposals.

To summarise: let us not throw the baby out with the bathwater and be too prescriptive in establishing a national template on what is best for everyone in terms of consultation and engagement with local community groups, and let us trust local authorities to be responsive to local community groups in respect of that consultation. We must work on the basis that they all want to achieve the best end result and objective. Of course, in the less than benign financial situation in local government at the moment, anything that puts cost pressures on local authorities from a top-down Whitehall perspective cannot be a good thing. I am sure that the Minister would not argue with that.

Finally, I shall make some brief comments about my own party. We will be supporting the provisions in the Bill, and again I welcome the comments of other hon. Members. I know that my hon. Friend the Member for Braintree (Mr. Newmark) will bring to bear his expertise on this issue, if he is fortunate enough to catch your eye in the next few minutes, Madam Deputy Speaker. In our local green paper, "Control Shift", published in February last year, we wrote:

> "The main purpose of the Sustainable Communities Act is to enable local governments to identify money spent in their area by central government agencies and then (after consultation with local people) to recommend ways in which it could be spent better by redirecting it to local priorities. The next Conservative government will work not just within the letter of this new law, but also within its spirit".

It also stated that

> "we will operate the system set up by the Act to ensure that, when local people have a particular priority, central government money is directed towards fulfilling that priority wherever possible."

We also support the extension of the Sustainable Communities Act to parish councils.

The Bill is commendably short, but it is extremely important and builds on the solid and firm foundations that we established in the 2007 Act. My hon. Friend the Member for North-East Bedfordshire touched on the important—almost existential—point that to rebuild the faith and trust of people in this country in their elected representatives, they must believe that their views, thoughts and priorities can be translated into real, progressive and forward-looking change. This Bill plays an important part in that process, and on that basis, Her Majesty's Opposition are delighted to give it their strong support.

12.24 pm

Mr. Brooks Newmark (Braintree) (Con): In the dying days of this Parliament, we are all keen to leave the country in a better condition than when we first entered the House, and many hon. Members have hopes of pushing through Bills that will leave a lasting legislative legacy. However, the Sustainable Communities Act 2007 (Amendment) Bill, which we are debating today, really does offer the chance to embed historic change in the system of decision making in this country.

The 2007 Act, which today's Bill seeks to amend, was an important benchmark towards building a bottom-up democracy and a clear repudiation of the centralised Whitehall diktat that we have endured for so long. Now, with the benefit of hindsight, we have the opportunity to add some important finesse to the 2007 Act, which was truly empowering. Indeed, it was nothing short of revolutionary, when we think of what it means for people up and down the country. Participation, not consultation, was its watchword, with communities able to draw up local sustainability strategies that suit the residents, and both to halt community decline and embed local sustainability for the future. That is government by the people, for the people.

The Act was passed because of cross-party consensus. The Bill benefits from similar backing. Indeed, early-day motion 143, which it might help to quote at some length, shows just how strong that sentiment is, and also shows the hard work done by Members of all parties to get us to where we are today. To reiterate what my hon.

Friend the Member for North-East Bedfordshire (Alistair Burt) said, it is worth stressing the key points of that motion, which says:

"That this House notes the success of the Sustainable Communities Act 2007 as the first step towards building a bottom up democracy".

That emphasis on a bottom-up democracy is key. The motion

"further notes the enthusiasm shown by local authorities across England in deciding to use the Act, with 100 councils having already used that process and a further 50 councils having stated their intention to do so at the next available opportunity"—

I gave my hon. Friend an example of that from Braintree council—

"showing that nearly half of all councils wish to use the Act's process in the future; notes also the genuine cross-party support that the original Act commanded; and so supports the provisions of the Sustainable Communities Act Amendment Bill introduced in Session 2008-09 which would extend the 2007 Act by ensuring that the process of involvement established by the Act becomes an on-going process rather than a one-off event,"—

this is key—

"by involving parish and town councils and their county associations in the process and by empowering citizens to petition their councils to use the Act if they are not already doing so."

Early-day motion 143 has been signed by 346 hon. Members, and a pretty diverse mix they are too. At the last count, of the three main parties we had 62 Liberal Democrat signatories, 134 Labour signatories and, just edging into the lead, 138 Conservatives.

The Bill not only has that wide-ranging support in the House; it also benefits from a groundswell of public support. A whole spectrum of groups, from the Countryside Alliance and the Federation of Small Businesses to Age Concern and the Local Government Association, can all see the importance of the Bill that my hon. Friend is taking through its Second Reading today. If we cannot get a Bill through with that much support, from all parts of the House and from outside it, surely that prompts the question: what private Member's Bill can we get through? If the Government fail to support the Bill today, it will send a negative signal to voters: that political involvement locally is something that this Government just shy away from.

Before I look at the Bill—and, naturally, the Act that it seeks to amend—I would like briefly to outline why I am standing in support of it. I am a firm believer in localism. The residents of parish and town council areas in my constituency all want to take responsibility for improving their own lives. I have seen that they are more than capable of identifying problems and, more importantly, of finding innovative solutions to them. Indeed, I often think that they are far more capable than many of us here in the House and in Whitehall. But there is no reason why they should have to fight for this on their own. Legislation should not only support their attempts to improve their communities and make them sustainable long into the future; it should also enable them to do that.

I speak with the support of my constituents, and my parish and town councils, when I say that decisions should always be taken as close as possible to the community that they affect. When it comes to shaping the future of the communities that we live in and depend on, we must accept that local people know best.

Alistair Burt: Parish plans, through which people become involved in shaping the future of their community, are a wonderful idea, but does my hon. Friend agree that they seem to hit the buffers because there is no process available to take their proposals further? The Bill provides an opportunity for similar plans. I wonder whether my hon. Friend has shared that experience of parish plans, where individuals have been engaged in a plan, only to end up asking, "What now?"

Mr. Newmark: My hon. Friend makes an excellent point. I have been to a number of villages in the north of the constituency that I hope to represent, and some of them have held meetings to discuss this matter. However, there needs to be a cultural change as well as a legislative one. We need to change the culture among district councils and among those officiating and planning in those areas, so that they can accept a little more flexibility and reflect the needs and desires of local people much more than they have done historically.

We must give people greater power over the policy and spending decisions that will forge the future of the area they live in for years to come. The Bill embodies that aim in letter, and I hope that the many contributions that we will hear today will embody it in spirit as well.

It is impossible to look at the intentions and substance of the Bill without first scrutinising the Act that it seeks to amend—the Sustainable Communities Act 2007. Like today's Bill, the Act was introduced by a Conservative Member, my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd), as a private Member's Bill. After several previous attempts to take a sustainable communities Bill through the House, that one was successfully steered through Parliament in 2007, with cross-party support. As the Secretary of State said only last month, it is his intention for the Act to stand part of the permanent architecture of local government.

I hope that those are all positive omens of things to come, as my hon. Friend the Member for North-East Bedfordshire takes his Bill through its Second Reading today. I was a strong supporter of the previous Bill when it passed into legislation in 2007, and I welcome the Act's initial success. All of us present in the Chamber know how important it is in fighting the corner of local decision making. It might be a comparatively short Act, but what it lacks in length, it more than makes up for in impact.

The existence of the Sustainable Communities Act owes a considerable debt to the impassioned advocacy of Local Works, a coalition of about 90 national organisations fighting for the cause of localism. The sheer size and voracity of this coalition is a real testament to the strength of feeling about sustainable communities, and there is a clear appetite for further progress. A real catalyst for this campaign was the work done by the New Economics Foundation to highlight the danger of a ghost-town Britain if the decline in corner shops, grocers, banks, post offices and pubs—to name just a few—were to continue unabated. This would soon snowball into neighbourhoods and communities no longer being able easily to access what the New Economics Foundation aptly describes as

"such essential elements of both the economy and the social fabric of the country"—

and, I might add, of our local communities.

[Mr. Newmark]

Tackling this worry head on, the 2007 Act sought to address the previous lack of a coherent Government strategy to arrest both the community decline that so many of us have seen in our constituencies and the lack of transparency and civic participation seen in the way resources are allocated to, and within, a community. Local and central government must attach greater priority to the long-term development and protection of communities—something that my constituents are definitely pleased about. The Act has two central elements: action plans for achieving and maintaining communities, and local spending reports on public expenditure in local authority areas. What is so revolutionary about these action plans is the new chain of information established, flowing right through from the individual, through regional structures and directly to the Secretary of State in Government. This way, local residents have a direct say in proposing changes at a national level, which will help deliver sustainable projects locally.

Under the purposely broad remit of grouping these proposals under the four headings of the environment, the local economy, social inclusion and democratic involvement, the scope of the Act is dramatically expanded, along with the power of local decision making. Theoretically, no matter how small the voice propounding it, if a proposed scheme will improve a community's sustainability in any of those four areas, it will be given a fair hearing by the Secretary of State and the appointed selector, the Local Government Association. Whether implemented or rejected, each proposal—and those who submit it—will be given feedback, ensuring that local people—those best able to diagnose specific localised problems—can provide tailor-made, practical and often highly innovative proposals to deal with specific local conditions.

Mr. Stewart Jackson: Does my hon. Friend agree that our party's commitment to repatriate regeneration moneys, regional spatial strategy and housing and planning powers to the local level, particularly to local authorities, is entirely complementary to the philosophy behind the Sustainable Communities Act 2007 and this amending Bill?

Mr. Newmark: Not only is it complementary, it is truly within the spirit of what people in our constituencies say they want when we talk to them—local people know what is best for their own communities and they are the best drivers of what is best for the communities in which they live from day to day.

Mr. Christopher Chope (Christchurch) (Con): Earlier, my hon. Friend gave the example of Essex county council intervening to help post offices. That was done completely outwith the umbrella of this particular legislation, demonstrating that local authorities can be very effective operating within the currently available powers. Does he accept that that was much more timely than what we have before us now—a whole lot of proposals having gone forward, none of which have yet been determined by the Government, notwithstanding the fact that it is getting on for two and a half years since the legislation that my hon. Friend supports was first enacted?

Mr. Newmark: I sense my hon. Friend's concerns from noises off, suggesting that he has strong feelings about this issue. I am sure that, like me, he will be given time to elaborate his point admirably later. I hope that the amending Bill will not just facilitate but accelerate the process of taking the action to alleviate my hon. Friend's concerns, so that things move on a little faster than they have in the past. I share his frustration that progress seems to have been made at a fairly slow pace—perhaps much slower than was the original intent in the 2007 Act.

Mr. Chope: Does my hon. Friend agree that one consequence of the implementation of clause 1 would be to give the Government an excuse for yet further delay in reaching decisions on the submissions that have already been made to them, and which were submitted by 31 July last year?

Mr. Newmark: I understand my hon. Friend's point, but I do not believe that either my hon. Friend the Member for North-East Bedfordshire or the Government want progress to be delayed. I do not quite share my hon. Friend's cynicism, therefore.

Alistair Burt: I understand the point made by my hon. Friend the Member for Christchurch (Mr. Chope), but I hope this provision will allow the Government and Secretary of State to have greater flexibility in handling existing proposals, which should help them to decide on some of them more quickly. My hon. Friend makes a fair point, as some proposals have been on the books for a long time, and the Government have been pressed on that on a number of occasions, but I hope giving this flexibility might address the problem.

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett) *rose—*

Alistair Burt: If my hon. Friend the Member for Braintree (Mr. Newmark) is feeling generous, he might give way to the Minister, who is seeking to catch his eye.

Mr. Newmark: Indeed; I shall give way from the monkey to the organ-grinder.

Barbara Follett: I thank the hon. Gentleman, who is anything but a monkey.

It is the Government's intention to move as quickly as possible on this, and the Bill gives us precisely the flexibility we need to do so.

Mr. Newmark: I hope that when the Minister comes to deliver her winding-up speech, she will address the concerns that my hon. Friend the Member for Christchurch (Mr. Chope) will no doubt raise, perhaps not at too great a length, but certainly with a high degree of veracity.

The 2007 Act introduces some much-needed transparency and accountability into the process. The Secretary of State is compelled to produce local spending reports that provide information on public expenditure within a locality, the effect of which is to make visible those areas of public spending that are not already in the public domain and to give the public an extra opportunity to have more say on expenditure in their area. People

will be able to see how much the Government are spending, and what they are spending it on. If they do not like what they see, they can submit new proposals.

My hon. Friend the Member for Ruislip-Northwood summed up the legislation well when he said:

"The Bill is an honest attempt to help communities address the social problems that arise from community decline and the loss of local services."—[*Official Report*, 15 June 2007; Vol. 461, c. 1026.]

The Act was also greeted with much acclaim by people outside Parliament. Local organisations have heralded it as

"a remarkable piece of legislation. For the first time we have an Act of Parliament that discards the usual top-down decision making and also the nonsense that 'consultation' by the Government is somehow empowering, when the opposite is the case as most people know."

The importance of the Act should not be underestimated. By empowering citizens themselves to make choices on the issues that affect their everyday lives, it begins to address the democratic deficit that, under Labour, has been growing ever wider. As we begin to stutter out of the worst recession since the second world war, and with the public finances in such a dire state, the Act also offers enormous potential in terms of economic value added through savings and efficiencies.

The sheer number of proposals submitted under the Act provides an easily quantifiable record of success. In the inaugural round of submissions, 301 proposals were received from 100 councils shortly before last Christmas, and about two thirds of them were shortlisted for the Secretary of State. Indeed, with this unexpectedly large number of proposals ratcheting up his work load, the Secretary of State is, perhaps, the only victim of the Act's success. That should be no excuse for delays, however. Two months have now passed since the Local Government Association submitted this shortlist to the Secretary of State, and it would be instructive if he were to advise us on what discussions he has had with his Cabinet colleagues on taking some of the proposals forward.

I am a firm believer in local democracy. Far too many decisions that affect local communities are taken by officials in Whitehall, ignoring the nuances and diversity that shape our country and communities.

Not only does this de facto disfranchise residents; too often, it imposes identikit policies that are entirely unsuitable for whichever context they are haphazardly applied to.

Mr. Stewart Jackson: I hope that I am not pre-empting the Minister, but does my hon. Friend agree that the Government could produce an action plan next week? They are statutorily required under section 4 of the existing legislation to produce such a plan. It could be produced within a week or two and should be produced before the Easter recess.

Mr. Newmark: And certainly before the general election—whenever it is called.

The diktat of top-down, one-size-fits-all solutions is to the detriment of local communities, local government and politics generally. When it was introduced in 2007, the Sustainable Communities Act was an important step towards reversing that trend, and it is in this spirit that I support today's Bill. This is about re-engaging people with politics and democracy. Local citizens and communities are the experts on their own localities and issues: they are the ones who live with them each and every day, as I pointed out to my hon. Friend the Member for Peterborough (Mr. Jackson). It is only natural to see that, from this unique vantage point, it is precisely local residents who are often best placed to produce the best solutions to their problems. Local Works is right when it says that

"citizens and councils are the experts on their own problems and the solutions to them".

Quite simply, they know what works and what does not, but until the 2007 Act was enacted, the Government seemed blind to that truism.

I have often heard constituents voicing their concern that people feel powerless—powerless to stand up and make a change for the better, powerless to stop their communities losing access to vital services and facilities. Now, for the first time ever, we have a law, and thus a legal mechanism, whereby Government cannot simply say no to any or all requests made of them for different services or changed policies. Uniquely, the Act does not consult; it requests participation. Rather than being limited to raging when a far-off bureaucrat decides to close a well-loved community asset, local people can fight it. The potential for that to bring lasting change to the power structure within our country should not be ignored.

The Act is important not only for what is embodied within its letter, but for the spirit it engineers. A paper by Anthony Brand, published by New Local Government Network in October 2008, suggests:

"If used well, this Act could be a driving force behind the next stage of the devolutionary process. It provides local authorities with an opportunity to take a more proactive leadership role in formulating policy and making stronger arguments for the devolutions of powers, responsibilities and funding to the local level."

Of course, I recognise that communal decision making does not always produce the neat and tidy results that can make life seem easier in the short term. In fact, suggestions rarely receive unanimous agreement in the first instance. Inevitably, there will be disagreements at local level on what proposals to make and the form they should take. Councils will no doubt have their own views, as will the Secretary of State and the Local Government Association. This may not be perfect, but democracy, as we all know, is not perfect. By its very nature it is a messy business, but this is the best, and only, choice. Consensual and co-operative politics and decision making far outstrip adversariality and diktats in what it can achieve for our country and our local communities.

Local democracy can be a self-perpetuating phenomenon. The very fabric that keeps our society together, the communal meetings and chats in the street, are all encouraged under the Sustainable Communities Act. Bringing people together to discuss the needs of their area not only gets people talking and communicating in the here and now, but builds an ethic of social responsibility.

As with any legislation during these difficult economic times, the financial implications must always be thought through. That applies to this Bill, but a look at the economic arguments for the 2007 Act, which we seek to amend today, shows an economic imperative. Not only have we been grappling with a long and deep recession, and a recovery that cannot be confidently described as anything beyond minimal at the moment, but the

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Government have sent our public finances rocketing to a record and unsustainable level. They should be jumping at the chance to make savings and efficiencies, and this legislation provides the opportunity to do just that.

Crucially, the 2007 Act matches local interest with investment. Too often I have seen local communities that are passionate about the cause that really affects them finding that few funds are available to help them achieve their objective, be it large or small. Let us contrast that with a project down the road whose rubber stamp from Whitehall has brought a flood of investment but which is of little use or interest to residents. The 2007 Act could change the whole dynamic. As I have mentioned, local residents know what makes communities tick, and by harnessing their knowledge not only can we increase their wealth and well-being, but we can do so without spending more money—there is even the potential to save money.

The 2007 Act offers at least three opportunities. The first is that councils may use it to request additional money. With the advantage of local knowledge, that can produce net savings. For example, using new money to keep a local public service open saves extra CO_2 emissions, because people do not have to drive further to the nearest public service. In addition, such an approach provides an intrinsic good to those living close by. Thus, the Government need not spend more money elsewhere in the economy to reduce those emissions.

The second opportunity is that councils can request a transfer of public money from another Government funding scheme that they think is not proving effective for the community. An obvious candidate here would be to take control of some of the money of any one of the faceless quangos. The money could be put to much better use through promoting specific local needs. Given that recent Local Government Association research shows that these unaccountable, centralised quangos spend a staggering £43 billion of public money a year, surely it is time for local people to be given much more of a say in how their public money is spent in their local areas.

Alistair Burt: My hon. Friend will know that there has been much debate about the content and form of local spending reports. The Government have been criticised for being over-cautious in how they have published and used the information in the reports. Although this is not provided for in my Bill, the Government have spoken of a clear intention to improve them. Does he agree that honouring that requires greater transparency in the reports? They should be web-based, because the greater the information available to the community, the easier it is for people to identify what funds might be transferred if discretion is available, so that they can be put to community use that has greater local priority.

Mr. Newmark: My hon. Friend makes an excellent point, particularly in these times when transparency has been a big issue for the public. I hope for a change of Government and I hope that transparency, not just locally and in Parliament, but in our public finances, will be a hallmark of a new Government.

The third and final opportunity is that councils can request new powers to make their own money, for example, by charging a non-domestic local rate to the large car parks of out-of-town superstores. The revenue could then be used to promote local shops and to revitalise town centres. Given these myriad opportunities for efficiencies, savings and profits, the economic benefits of the Sustainable Communities Act 2007 could snowball. Clearly, we are at the early stages, and the proposals are still with the Secretary of State, but I look forward with interest to seeing how the economic argument develops over the coming years.

Legislation means little unless we take a closer look at those whom it affects—in this case, the local people and communities that stand to benefit from the 2007 Act. The Act allows proposals that pursue sustainability through the environment, local economies, social inclusion or democratic involvement. In my constituency, there is plenty of scope in those areas and I can already see the outline of work emerging.

First, I know that many of the younger generation, in particular, feel passionately about improving the sustainability of the community through environmental means. I have spoken with many children and students who outline their creative solutions to "green" Braintree. Many of those solutions would make formidable proposals to the Secretary of State, and I think that this offers a bright hope for the future. In some of the more rural parts of my constituency, I have heard from individuals who are looking to set up their own highly localised renewable energy sources. That is a great idea, both for those involved and for the greater environmental good.

The promotion of local economies is perhaps the strand of the Act that holds the most resonance at the moment. I have seen first hand in my constituency the devastating consequences for those who are personally involved, and for the wider community, of the loss of local facilities and services on which we all depend. Well-loved shops have shut or relocated elsewhere. They include the local Woolworths branch and the Marks and Spencer in Braintree town centre, along with many of the locally owned and more specialised stores in our villages. Rural post offices have fought an especially long battle against closure, and I recently had news that the local HMRC office in Witham is closing. Looking ahead, I heard only a few weeks ago of the possible relocation of an employer of many of my constituents from Stansted.

Under Labour, we now have about 5,400 fewer post offices across England, 200 fewer libraries and 3,500 fewer pubs. However, in Braintree we are thankfully not an embodiment of ghost-town Britain. For example, we are fortunate enough to have a very active county council which has supported a long campaign to restore the rural post offices savagely cut by this Government, which I mentioned earlier in the debate.

I know that many other hon. Members are seeing local shops and businesses, along with pubs and post offices, dropping like flies. The steady creep of closures seems particularly insidious and, like all hon. Members, I am worried that the effects of the recession will continue to spread across our constituencies—and that in mine, they will spread across Braintree, Witham and our rural villages.

Mr. Stewart Jackson: Does my hon. Friend share my view that the undertaking our party has made to keep the needs test for out-of-town shopping centres will protect small niche retailers in urban areas and in

constituencies such as his from the pernicious effects of larger retailers who will put them out of business without the support of local people, local communities and elected representatives?

Mr. Newmark: My hon. Friend makes an excellent point, but people shop at these big stores because they like to go to them. We need to bridge those desires and the evidence that people like to shop in big shops. I have that problem locally—we have Freeport shopping village, which is very popular with people who come from out of town, in particular, and has a devastating effect on Braintree town centre. I do not think that we have done enough work collectively to try to draw those two communities together. We could perhaps draw people who are shopping at Freeport into the town centre, but that means revitalising the town centre. I know that Braintree business council and the district council are working together to try to achieve that, and I am working with them on it.

The chairman of the selector panel has certainly seen evidence of such proposals in those already submitted. He says:

"Unsurprisingly, the recession is a strong theme as councils look to continue their efforts to offer support to local businesses and vital assistance to local people."

So of course I can recognise the importance of having legislation in place swiftly to stem the tide of closures of local amenities, were it to grow.

When much loved amenities and assets are forced to close their doors, that can devastate the local community. Inevitably, that is often felt more keenly in the rural areas of my constituency. In towns, too, there is little more soul-destroying than seeing a once bustling street full of boarded-up buildings and closing down sales. Once a community is in a cycle of decline, it becomes so much harder to pull it out and restore it to a sustainable trajectory.

Community decline takes no prisoners among those whom it affects—whether the elderly and infirm, who rely on easy access to the shops, or the young children with nowhere to play and an environment where aspirations are dwindling by the day. But the story is not only one of gloom. I have been enthused to see the enterprising spirit and get-up-and-go of so many of my constituents. Those facing unemployment look to transfer their skills or work voluntarily, and the whole community rallies round as much as possible. In Braintree, we recognise that the best way to beat the recession and emerge the stronger for it is to work together. That strand of the Sustainable Communities Act gives us a much more structured and supported way in which to do that.

Communities can only ever be sustainable if they include all those whom they encompass. Social inclusion should stand at the heart of a community. I know that many groups in my constituency have some excellent thoughts on how to integrate all citizens, regardless of race, colour or creed. Let us take Braintree pensioners action group, for example. I regularly meet those pensioners and I am amazed by the direct insight that they give me into what life is like for the elderly in the community. Whether it is problems with bus services, dental care or fuel poverty, they have their fingers on the pulse of the type of action that we need to take for our elderly citizens. I congratulate them on all their hard work and on ensuring that they communicate with me as often as possible.

Another type of proposal that we could do with locally relates to the public services on which we all depend. They need to be inclusive for the whole community. Bus services are an example. All too often, the timetables and routes in my constituency are cut or altered to suit the needs of the bus company, rather than of the residents who rely on them. That can particularly exclude those in rural areas, creating both physical and psychological exclusion from the wider community. As Witham town council reminded me, it and local residents can act as the best eyes and ears for bodies such as the police or district or county councils. They can quickly identify where problems of social exclusion are emerging.

Finally, the promotion of a sustainable community goes beyond the bricks and mortar of buildings and shops, important though they are. It touches the very sense of community and social fabric that binds neighbourhoods together. Through increasing the ways in which people in Braintree can participate in local decision making and rejuvenate civic democracy, the Sustainable Communities Act offers a real chance of building a better society for the future. That has wholehearted support among many of my constituents and parish and town councils, such as Sible Hedingham parish council.

Of course I could go on. I have given just a small picture of the scope of the 2007 Act to arrest community decline and provide a channel through which my constituents can not only be heard, but have their proposals enacted.

We all agree that the 2007 Act was a huge step in the right direction, invigorating local decision making and democracy, offering economic benefits and securing accountability and transparency through the system. But why should we halt progress there? Rarely, if ever, are we lucky enough to encounter perfection at the first attempt. Robust and enduring legislation with a truly transformative capacity to revolutionise decision making and communities is more likely to involve a gradual process. Delicately crafted amendments, such as the Bill, enable us to correct any flaws that may have crept into the original Act, and they hold the Government to account for any failure to see through the original spirit of such Acts.

Today's amending Bill, like the original 2007 Act, has the support of Local Works, which says that

"an ongoing Sustainable Communities Act process is absolutely crucial."

The Bill is a natural evolution of the original Act, providing value-added measures and fleshing out more details, and if we want to enhance our existing momentum we must pass it soon. CAMRA's chief executive says that

"there is an urgent need for the Act's process to continue."

Councillor David Shakespeare, leader of the LGA's Conservative group, points out why, saying:

"Action is needed, anything less will send another negative signal to voters and lead to withdrawal from activity."

I shall now consider some of the most pertinent issues that the Bill raises. The Bill sustains the 2007 Act for a further round of submissions. It removes the uncertainty pervading the future of the current round of proposals, and it makes sense. Indeed, given that the public's appetite is strong, and that participation under the Act has already exceeded 40 per cent. in some areas,

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it would be ridiculous to halt the process just as it gathered momentum. Given also that the LGA says that

"submissions received were impressive and are reflective of the huge appetite for change and innovation across councils working closely with their communities",

many proposals have every chance of being accepted by the Secretary of State.

There may be further merit in laying out explicitly the longer-term future of the Act. However, that may be better pursued in further amending Bills once we have seen more evidence of the success of the projects proposed in the first round. Today's Bill shows that the 2007 Act was not a one-hit wonder, and this legislative commitment should maintain civic activity and quash any emerging cynicism that the Act is a gimmick with little intention of allowing through any truly local proposals.

The chief executive of the National Association of Local Councils has noted:

"The Act has created an excitement; our members want more—but unless we name a date a 'second round' of suggestions then we fear that the usual cynicism will take over."

If we are to produce bottom-up legislation, we must do so with a conviction that shows that we truly want it. This Bill proves that point.

Anne Milton (Guildford) (Con): Does my hon. Friend agree that it is rare to see "councils" and "enthusiasm" in the same sentence? This is a fantastic opportunity to see the resurgence of some enthusiasm, and to see local councils enthused by the measures before us. It is an opportunity that must not be missed.

Mr. Newmark: Notwithstanding the continual enthusiasm of Braintree district council, I accept my hon. Friend's point that we need to build on the enthusiasm that the original Act kicked off. No doubt people will be enthused even more by this amending Bill.

Today's Bill enables the Secretary of State to publish regulations on the proposals embedded in the 2007 Act. That includes such prescriptive measures as engagement with parish and town councils, petitions and the form, content and timing of proposals. The former is particularly pertinent to my constituency of Braintree, which has a number of excellent and active parish and town councils.

Following the initial hype and fervour around the 2007 Act, a few town and parish councils have voiced disillusionment. Although the LGA has found that in a number of cases the parish or town council is acting as the driving force behind the proposal, some, after being heavily involved in the long campaign to bring the initial Act to fruition, are feeling neglected and omitted from the process of decision making and the provisions of the Act.

Given the excellent organisational structures of our parish and town councils and their ability to canvass and reflect local opinion, I agree with the principle, enshrined in today's Bill, that they could be given a more explicit and mandatory role in the chain of local decision making. The citizens' panels that the Act requires, to reach out to and involve electors in the ideas of action to put to the Secretary of State, provide an obvious means through which to insert the representation of parish and town councils. As Great Bardfield and Finchingfield parish councils point out, powers that have already been devolved to parish councils have proved to be cost-effective and to work well.

However, I recognise the LGA's concern that that would risk establishing a parallel Sustainable Communities Act-lite process whereby the consultation requirements are simply that only the members of parish or town councils are heard. That, of course, would be inimical to the spirit of local democracy. A more durable solution may be to ensure the representation of such councils on the citizens' panels while still providing scope for the voices of those not involved with such councils.

Given the current levels of disillusionment—

Mr. Douglas Carswell (Harwich) (Con): Will my hon. Friend give way?

Mr. Newmark: Let me finish my paragraph, and then I shall give way.

Given the current levels of disillusionment and disengagement from politics, we should do all we can to get everyone involved in democracy; my hon. Friend the Member for Harwich (Mr. Carswell) has been an extraordinary advocate of that. Exclusion is simply not an option if we want to give people a real sense of ownership of the whole process.

Mr. Carswell: My hon. Friend has spoken eloquently about the need to restore faith in our democracy. Does he agree that that extends to not seeking deliberately to talk out items on the agenda that are of interest to millions of voters?

Mr. Newmark: I have no idea what my hon. Friend is talking about, unless he is referring to his own Bill. Earlier this week, I had a discussion in the Tea Room about this Bill. I stressed how strongly I felt about it, and my hon. Friend gave me some advice.

Mr. Carswell: "Keep it brief," is what I said.

Mr. Newmark: I do not believe that my hon. Friend said that; he encouraged me to talk about the importance of localism, which he knows that I have supported as long as I have known him.

I am pleased that the messages I am getting in my constituency are that parish and town councils want to be involved. Why not make use of them and hear their ideas? The 2007 Act took us from a process of Whitehall consultation to local participation. Today's Bill could go a step further and make the Act a truly enabling one. A good example of the need for parish and town councils to have a firm footing in creating sustainable communities relates to planning. I know that both Cressing and Black Notley parish councils in my constituency find that a particular frustration. As the representatives of the local community, those councils seek to promote the common good. They are often a good judge of which planning applications would promote the sustainability of Cressing and Black Notley, yet they feel that inappropriate applications are receiving the go-ahead from those who do not truly understand what villages need in order to prosper. Castle Hedingham parish council has gone to great lengths to produce

a village design statement, outlining the types of developments that would fit in with and enhance the community. Yet such councils are frustrated and feel that local knowledge carries little weight.

That is indicative of a broader, serious problem in our country. Whether it is building new housing developments or giving the green light to new business parks or leisure facilities, the whole planning process can be divisive and frustrating, with developers, residents, councils and all interested parties fighting it out and things either never getting built or causing massive resentment when they are. Let us imagine giving local people real control over the look, shape, feel and character of the community and letting them decide how many houses they wanted built or whether they wanted a new park or playground. If those proposals were within the letter of the Act and could support local economies or the environmental aspect of sustainable communities, the potential for change would be enormous.

My constituents are fortunate that both Essex county council and Braintree district council support the 2007 Act, but many others are not so lucky. Indeed, when I checked the Local Works website, I was surprised to see that swathes of the country have still not opted in to the Act. I am surprised by that, because councils have nothing to lose and everything to gain. Despite pressures from residents and parish and town councils, some local authorities and county councils remain resistant to change. What about the local people in those areas? Under the Act as it stands, they have no form of redress and depend on the whims of their local authority or county council to get their voices and proposals heard. The Bill would give the Secretary of State the option of prescribing a mechanism whereby residents could petition their local authority to take up the Act. Although we currently seem to have no clearer proposal than that, I know from various petitions in my constituency that they can often serve to invigorate local residents even more. Surely that is yet another positive step forward for local democracy and political engagement.

I have one concern about the Bill, which is the absence of a mechanism to force the Government to publish full local spending reports. Although I recognise that that absence may have been necessary both for brevity and to gain cross-party support, I hope that we can return to the matter at a later date.

I, like local residents, am disappointed that the Government have backtracked on a vital part of the 2007 Act, and I hope that the Minister will address it. It is the section that requires the amount of Government expenditure in each area to be made public. They have taken a decidedly minimalist approach to the concept of, and commitment to, local spending reports as originally agreed in Parliament. The then Minister promised that the Government would publish a local breakdown of spending and proposed spending by all public bodies, but they have broken that promise and substantially watered down the Act. Rather than a full breakdown, local spending reports currently contain only information about local bodies.

Mr. Stewart Jackson: My hon. Friend is making a powerful speech. Does he deprecate, as I do, the fact that when the Government had the opportunity to address the issue of local spending reports in the later stages of debates on the Local Democracy, Economic Development and Construction Act 2009 a few months ago, they chose not to include a provision that would have ameliorated the concerns that he mentions?

Mr. Newmark: Again I concur with my hon. Friend, and perhaps the Minister might address that point. I shall press on, because I appreciate the concern of my hon. Friend the Member for Harwich, who I am sure is keen that we ultimately move on to his Bill, notwithstanding the importance of this one.

If we are to restore faith in politics, now more than ever we need greater transparency in public expenditure. We need to be able to see how politicians and organisations that rely on public funds are spending taxpayers' hard-earned money, and, if necessary, challenge it.

Everyone in this House ought to be able to recognise that the days when taxpayer-funded organisations could keep their accounts under wraps are well behind us. The last year in Parliament has taught all MPs a painful lesson in transparency, but we need to reflect that in legislation that has implications throughout and beyond Whitehall. The LGA agrees. It remains wholly unconvinced by the arguments that full local spending reports are simply too expensive and that they would be of no benefit. We understand the need to approach the matter in a way that ensures value for money, but expecting basic figures on public expenditure is not an unreasonable request.

However, the Bill is about not only the principle of transparency, important though that is, but about efficiency. As I have stressed, local communities are best placed to understand what they need for sustainability. If they can easily scrutinise the costs and details of current projects, they can quickly deduce whether there is a cheaper or more efficient option. If communities and councils can look at the streams of funding in their areas, they can identify duplication and scope for greater co-ordination, and where resources could be more effectively deployed in another way. Put simply, by lifting the lid on public spending, we stand to get better outcomes in how taxpayers' money is spent.

I recognise the concerns of both the LGA and some hon. Members that some proposals in the Bill lack clarity. However, I remind them that it is a short, amending Bill, designed to nuance the Sustainable Communities Act rather than create a new one. The prescriptive powers that the Bill would grant to the Secretary of State give a large degree of wiggle room, which is exactly what the 2007 Act needs. It is comparatively new legislation, so we are still at the early stages of the process, and proposals for implementation are still not finalised. To rush ahead with too many specific clauses, without learning what is going right and what is going wrong with the process, might be impetuous.

I support the Bill. We have the opportunity to show the country that "bottom up" is more than just a fashionable term for politicians to tack on to concepts—it can be one of the most important weapons in a local community's arsenal and serve the greater good of so many of our constituents, as I have seen in my constituency. The Act has enormous transformative potential and radical implications for the decision-making process in this country if local people choose to use it.

This is why I believe in the importance of the Bill. First, it will extend the time for proposals to be submitted under the 2007 Act, and secondly, it will add some

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important nuances to what is already an historic measure. A key criterion on which to judge the Bill will is whether it offers the opportunity for local people to have their voices heard. If it does that, it will have done a good job. The words of support that I have received from residents and councils, along with the relative consensus in the House today, are encouraging.

All here today recognise the opportunity the Bill offers truly to engage people on how public money is spent and how public services are delivered in their areas. If we miss this opportunity today, I fear we will not only set back the cause of local democracy a few steps, but squander a lot of public support and good will. Today we have a clear decision to make, which is eloquently summed up by Local Works:

"We believe that we (civil society and politicians) now have a choice: we can support this Bill and give this new shoot of increased involvement a boost; or we can reject it and risk that shoot withering on the vine."

I hope we make the right choice here today.

1.25 pm

Mr. Christopher Chope (Christchurch) (Con): I have always been a great supporter of my hon. Friend the Member for Braintree (Mr. Newmark) and I hope that if his speech achieves nothing else, it will gain promotion for him in an incoming Conservative Government. He has served the Conservative Front Bench's purposes well today by ensuring that the amount of time available to discuss the Lisbon Treaty (Referendum) Bill and the European Union Membership (Referendum) Bill will be greatly curtailed. We have five hours for debate on Fridays and my hon. Friend has spoken for one of those hours. In so doing, he has ensured—as far as I am concerned—that it will not be possible for this Bill to go through all its stages today, if that were ever a serious proposition—

Mr. Newmark: Will my hon. Friend give way?

Mr. Chope: No, I will not, because he has already spoken for an hour and I wish to make a few brief remarks. It will not be possible for this Bill to go through all its stages today because so much time has been taken up already. If the Bill is as simple as its promoters suggest, I am surprised that it took more than half an hour for my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) to introduce it and more than an hour for my hon. Friend the Member for Braintree to explain why it would be such a good idea.

The 2007 Act was introduced when our great friend Eric Forth was very active on Fridays, and he shared the concern of many of us that it would not achieve much. I am sure that he will be looking down on our proceedings today and saying, "Well, I told you so." The original objectives of the Act included halting the decline in the number of corner shops, banks, grocers, post offices and pubs. Two and half years later, we have seen a substantial and continuing reduction in the number of those businesses. The Government have not even decided on any of the proposals that were made by individuals—perhaps naive individuals—who thought that the 2007 Act would actually give them an opportunity to contribute to significant change for their local communities.

The Act has been a complete failure. Hon. Members have suggested that it has been a success, but they are living in a completely different world from the one in which I—and, suspect most of my constituents—live. My hon. Friend the Member for North-East Bedfordshire gave some examples. He said that a Wiltshire librarian had put forward a proposal to increase the tax on chewing-gum. However, action could have been taken much more quickly if the librarian had communicated with the local Member of Parliament, who could have tabled an amendment to the Finance Bill and we could have had a debate on the issue. Similarly, a proposal from Hackney suggested changing the planning rules relating to betting shops. It so happens that a private Bill on London local authorities is going through the House at the moment, and it would have been open to Hackney council to include that proposal in that so that we could debate it. The Second Reading of that Bill is coming up soon. Those two examples are of suggestions that could have been implemented more quickly through a direct relationship with Members of Parliament.

My hon. Friend also cited the further example of Liverpool city council trying to restrict the closure of post offices. That has not achieved anything. The only success that I am aware of was in Essex, and in that case the county council took direct action in defiance of the Government. The Government say that they support the Act, but people are given an incentive not to pay their road tax renewal at the post office but to do it online, because they are then entered into a prize draw for some foreign-manufactured car. That is meant to be an incentive not to use the local post office, and it is supported by the Government. It is ludicrous that the Government are promoting and encouraging that by giving people financial incentives not to use local post offices, while purporting to be interested in sustainable communities. The whole thing does not add up; the whole thing is a complete farce.

As my hon. Friend the Member for North-East Bedfordshire made clear in his extensive speech, the 2007 Act received Royal Assent on 23 October 2007, but it took almost a year for the Secretary of State to invite local authorities to make their submissions. Conveniently, the deadline was nine months later—they had to make their submissions by 31 July last year—and as of today not a single decision has been taken. Indeed, the Bill before us today is a recipe for further delay by the Government, because clause 1 would enable the Secretary of State to say, "Well, although I have all these shortlisted proposals put forward on a particular basis, we are now changing the basis on which I should assess them, and I can now decide, not whether to implement them, but whether to implement them in whole or in part." That introduces a completely new dimension that was not available to the local authorities when they decided which proposals to put forward, and neither was it available to the people when they came forward with the proposals in the first place.

It is not surprising that people are cynical, because they are being misled into thinking that the way to make change in this country is to go down the route suggested in the Bill. However, change is really made through direct engagement with Members of Parliament and the Government. I shall give a few examples. When I was involved in local government politics in Wandsworth, we were fed up with the Inner London Education

Authority: we thought that we would have a sustainable community in Wandsworth if we abolished it. We did not go namby pambying around trying to get people to make submissions under something like the 2007 Act; we engaged in direct action. We held public meetings, engaged the people and lobbied the Conservative Government strongly for its abolition. That was achieved and since then things have got a lot better in Wandsworth as a result, and many more people now stay there to enable their children to go to good-quality local schools.

Something similar happened when the people of Wandsworth, and a lot of other people in Greater London, decided that they would like to abolish the Greater London Council. Pressure was put on the Government, and the changes were made. Another example: a lot of people thought it extremely frustrating that their local councils were not prepared to engage in competitive tendering. There was a strong lobby of Parliament, including early-day motions with more than 200 signatures, and eventually a Conservative Government decided to legislate requiring local authorities to engage in competitive tendering—and that is what they did. As a result, the costs of local government were reduced.

Mr. Stewart Jackson *rose—*

Mr. Chope: I shall briefly indulge my hon. Friend on the Front Bench.

Mr. Jackson: Obviously, I pay tribute to my hon. Friend's long service in local government and to the House. Surely, however, he is not suggesting that local spending reports and compulsory competitive tendering are mutually exclusive. In fact, the greater transparency brought about by local spending reports would assist local people at all levels in understanding the tendering process and the services provided by local councils.

Mr. Chope: I do not think that there is anything that a council cannot do already in terms of a local spending report—whatever that might mean. We must trust local authorities to do their work. We do not want to encourage them to waste a lot of time with bureaucracy or trying to make proposals that are then sat on by the Government. That raises local expectations and increases cynicism about the whole electoral process.

I shall not speak at greater length. However, I put down a marker that I think that the Bill is far from perfect, despite the enthusiasm of my hon. Friend the Member for North-East Bedfordshire. I think that it seeks to change after the event the basis on which people made their submissions under the original Act. If one goes through the detail of the Bill, one finds that, frankly, it contains a whole lot of top-down mandatory requirements, coupled with vague propositions and superfluous requirements. In short, it is bad legislation, and it should not go on the statute book, or indeed go any further, without substantial amendment. I hope that there will be an opportunity to consider the Bill further in Committee and that the points that I have put forward will be expanded on by others with similar concerns about its content.

The Bill sounds good: who could possibly be against sustainable communities? I am not against sustainable communities; what I am against is trying to suggest to people outside this place that the only way to have a sustainable community is to comply with the requirements of the Bill. The way to get a sustainable community is to have a strong Conservative council that works closely with local Members of Parliament and, where change is needed, engages with this House and Parliament as a whole to bring about legislative change.

1.35 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): It has been a privilege to take part in this debate and to work with the hon. Member for North-East Bedfordshire (Alistair Burt) in the formulation of the Bill. Let me congratulate him, first on his luck—which is not something that he can control—in doing so well in the private Member's Bill ballot, and secondly on tabling a Bill that has attracted such vocal and passionate support, both inside and outside this House. I also thank him for the constructive way that he worked with my Department before the Bill was published.

Members will recall, from when I spoke on another aspect of the Bill last December, my dislike of yah-boo politics. It is a sad fact that most of the public think that that is how we behave all the time. It is also a sad fact that yah-boo politics is playing a role in turning the public off something that is essential to the very fabric of their lives and everything that they value. As hon. Members will know, it is not true that we behave like that all the time; in fact, there is quite a wide consensus across the House on what the issues are. Where we disagree is on how we deal with them.

The hon. Gentleman's Bill is an excellent example of another, better kind of politics: the sort of politics that I call "me too" politics. That is where someone might say, "This is a problem and I believe something should be done about it," and someone else goes, "Yes, me too. I think that." In other words, "me too" politics is the kind of politics that mirrors the way people in the real world generally work together on problems. However, "me too" politics is not bland, as we have seen here today. In seeking solutions to problems, there is always the "me too, but" factor, and that is the important factor. The 2007 Act has had a long and occasionally turbulent history, with plenty of buts and a few outbreaks of yah-boo politics. However, thanks to the hon. Gentleman's efforts, we are starting a new and, I hope, more consensual chapter in its history today.

With your permission, Mr. Deputy Speaker, I would like briefly to pay tribute to the people who, before the hon. Gentleman, helped to make the Bill and the 2007 Act possible, both inside and outside the House. The work done in this House by three particular Members, from three separate parties, was hugely influential in the passing of the 2007 Act. They are: my hon. Friend the Member for Stroud (Mr. Drew) and the hon. Members for Ruislip-Northwood (Mr. Hurd) and for Falmouth and Camborne (Julia Goldsworthy). I would like also to mention the dogged determination of my hon. Friend the Member for West Ham (Lyn Brown) and my predecessor as Minister, my hon. Friend the Member for Oldham, East and Saddleworth (Mr. Woolas).

I would like also to make particular mention of the good-humoured way in which my hon. Friend the Member for Stroud—who, like the hon. Member for North-East

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Bedfordshire this year, had the good fortune to do well in the private Member's Bill ballot in the previous Session—took the disappointment of seeing his Bill fall because of lack of time. I hope that today's debate will make up for that disappointment.

On Second Reading of the Bill in 2007, my hon. Friend the Member for Stroud said that dealing with such revolutionary legislation warmed the cockles of his heart. Although today's Bill will be an excellent addition to that revolutionary legislation, it is more evolutionary than revolutionary, as the hon. Member for Braintree (Mr. Newmark) pointed out. That is a good thing, however. In a democracy, legislation must necessarily evolve if it is to continue to deal with our constantly changing world and requirements. The Bill will mean that the Sustainable Communities Act 2007 will continue to evolve and strengthen as the dialogue between the public and local and central Government also evolves.

As has already been mentioned, the Bill and its predecessor have attracted the support of more than half the Members of this House in early-day motion 143. That support is due in no small part to the campaign run by Local Works. Its national co-ordinator, Steve Shaw, and its redoubtable champion, Ron Bailey, are responsible for a great deal of this. Local Works has attracted huge support and is living proof of the veracity of its title. As the hon. Member for Braintree has said, this is about re-engaging people with politics, about doing politics slightly differently, and about listening to people and ensuring that we are as transparent as possible with the information that we present.

Anne Milton: Will the Minister join me in acknowledging that Local Works has continued to work on this campaign? I first had a meeting with it in 2003, which feels like a long time ago, and this is testament to the strength of its campaign. We will all be knocking on doors in the lead-up to the next general election, and people will tell us that they cannot make a difference. This campaign gives us an opportunity to tell them that they can. It started on the streets in individual constituencies.

Barbara Follett: I agree absolutely with the hon. Lady. We all recognise that terrier-like determination. All hon. Members have done some work on the ground in which we have eventually got something done that we did not expect to get done. We have had to get through layers of bureaucracy and entrenched ways of doing things. We in this House are part of those entrenched ways of doing things, but we must try to be more open to other ways of working.

The subject of spending reports was raised by the hon. Members for Peterborough (Mr. Jackson) and for Braintree. Future local spending reports will be published online in a more user-friendly format. I have used the reports for my own constituency, and for other constituencies in the east, and I understand the criticisms of them. The reports will also include a much wider range of data. Indeed, the December reports already do so. We are working towards improving the reports but, as my hon. Friend the Member for Oldham, East and Saddleworth stressed during the debates on the 2007 Bill, this is an evolving process, and part of the brake on that evolution is resource.

Another part of that brake has been the simultaneous development of another strand of transpareney, in the form of Total Place and the "Putting the front line first: smarter government" strategy. The hon. Member for Peterborough will know that a lot of work on this is being done in the region in which he and I have our constituencies. We have two of the 13 pilots there, but also 77 unofficial pilots. They are all aiming to find ways of making information more transparent and more accessible. Information can be written down but it can still be meaningless. Anyone who has read "How to Lie with Statistics" knows that there are huge opportunities in some of that information, and we must ensure that the statistics used are relevant and useful.

Turning to deal with the current process, which many hon. Members have mentioned, those not familiar with the logistics of the 2007 Act might have found our discussion rather arcane. It might also seem odd that we are attempting to amend a Bill that received its Royal Assent only a short while ago in parliamentary terms. As happens so often when good ideas are put into practice, the process of doing so reveals ways in which that practice can be improved.

What we are working with here is quite revolutionary in respect of how the British state behaves at all its levels. I believe that the Bill presented by the hon. Member for North-East Bedfordshire represents a real step forward in making the process more responsive by making it more flexible and by streamlining it. It is necessary to do that, because the process is at present cumbersome and resource-intensive, to put it mildly.

Providing the Secretary of State with the flexibility to ensure that both local and national Government can move more swiftly is a necessity, particularly if we want to engage with people, because their time scales are quite different to those of, say, a council or Whitehall. Our time scales are more elongated, but people are looking for a much swifter delivery than we have traditionally managed.

I know just how much work went into the formulation of the 301 proposals received by the selector body, the Local Government Association, and just how much work was put in by Councillor Keith Mitchell and his team to make sure that the shortlisting process was fair. So many of the proposals were good that 199 of them made it to the rather long shortlist. They were sent to the Secretary of State for consideration just before Christmas.

As many of us know, consideration in government does not mean looking at proposals and thinking, "That's okay, we'll have that one." Other Government Departments have to be consulted in order to achieve a collective agreement through an arcane process known as the "DA round"—involving the Ministerial Committee on Domestic Affairs, to which we have to write in to say what proposals we are thinking of putting forward and to ask what the committee thinks about them. The relevant Government Department has to go through the same process. It has taken us quite a long time to arrive at a shortlist that is acceptable to all areas of government—but I think we are there.

I realise how this looks to the public and to some hon. Members, but believe you me, Mr. Deputy Speaker, my officials and I have been driving this. I am deeply committed to this kind of work. I am leaving this House in four or five weeks, but I do not really want to leave it

without seeing progress made on this Act. That would be a failure, as far as I am concerned: my personal commitment is clear, and Members will have heard the Secretary of State's personal commitment to it. We are not standing still; we are looking at the complex issues in detail. As I will make clear in a few moments, we have broken them down into those that can be actioned swiftly—thanks to this Bill—and others that might take slightly longer, but will still be addressed.

The hon. Member for Braintree asked me whether an action plan could be produced next week. I really wish it could, but the honest answer is, "Probably not next week, but, boy, we are working on it for pretty soon." We all know that there is a cliff facing us—a cliff that I am going to walk straight off, although some Members will go down a ledge and return. As I say, I am going off it, as are some other right hon. and hon. Members, but before we drop to the bottom of the cliff, we are keen to see that we leave something verdant on the top of it.

I am aware of the difficulties facing private Members' Bills, and I was a great supporter of the Cook reforms—which I urge newer Members to study—in part because I believe such Bills deserve more time than they sometimes get. I am therefore trying to make swift progress through my speech.

The Bill will increase the opportunities for parish and town councils to become even more directly involved in this process in future. I have enormous respect for parish councils. Like the hon. Member for North-East Bedfordshire, I have a lot of extraordinarily active ones; our constituencies are fairly close, and the area is well endowed with parish councils. The hon. Gentleman's Bill allows us to develop that role, by taking them out of the guidance section, which is where they currently reside in the 2007 Act, and putting them into the main part of the Act.

The National Association of Local Councils is an extremely important partner of my Department. Indeed, we have allocated £750,000 of funding to it for the period between 2008 and 2011, in order for it to lead a programme of activities to promote the role of the local council sector. We are consulting the association, and exploring with its members how parish councils can get the most out of the Act.

Parish councils may be small, but they certainly punch above their weight, and we have seen what can be done with a bit of imagination—such as in Croxley Green, where a free bus service has been put in place for local senior citizens. That is a great example of using the powers councils already had—in this case from the Local Government and Rating Act 1997—to make a real difference to people's lives. I want to see more of that, as well as more development under the 2007 Act. We therefore intend to use a power specified in section 5 to explore how parish and town councils, or county associations of parish councils, might submit proposals in certain circumstances, to further drive the progression of local idea to national action.

I want to look briefly at the Local Government Association proposals. There were 301 of them, 18 of which were joint proposals, and they came from 90 lead authorities with a further 10 district councils contributing to the joint submissions. That represents 28 per cent. of all authorities in England. As the hon. Member for Braintree remarked, not all authorities have engaged in this with the same level of enthusiasm; after all, we are talking here about 100 out of 353 authorities. The south-west submitted the highest number of proposals, with 84, or 28 per cent., followed by the London boroughs, with 45, or 15 per cent., and the south-east, with 44, or 15 per cent. The region with the highest number of lead councils submitting proposals was, again, the south-west, with 18 councils, or 44 per cent., of its lead councils. The greatest proportion of proposals, however, came from district councils, with 107, or 36 per cent., followed by unitary authorities, with 96, or 32 per cent. County councils, with 18, or 6 per cent., submitted the lowest proportion of proposals. That perhaps shows that the higher tiers of government are less responsive to this grass-roots movement.

The scale and range of the proposals submitted was incredibly diverse; I know that from having studied them late one evening. For instance, 43 per cent. wanted power given back to the local level through finance, decision-making powers or transfer of functions, whereas 25 per cent. wanted additional legislation, or existing law to be strengthened. On the other hand, 18 per cent. wanted the Government to raise the profile of certain issues or concerns, thereby providing both the resources and moral support necessary to have a local knock-on effect, and 12 per cent. wanted to encourage a change in the behaviour of groups of individuals through the use of incentives, while 7 per cent. made explicit reference to the reduction of legislative restrictions or barriers imposed at national or regional level. It is important to note, however, that relatively few—I was disappointed by this—proposed change that was relevant to the local area from which they originated, which is the basic idea behind the Sustainable Communities Act. Some work needs to be done at local authority level to ensure that we make such proposals a little more locally responsible. The vast majority of proposals would require blanket national reform.

The Government and I have worked with the LGA, and I was very pleased on 23 December to receive the 199 proposals. However, once disaggregated, some 242 separate requests for Government action are in fact contained within those proposals, and they cut across Departments. Many of those would require changes to primary legislation, but we have not lost momentum. Officials from across Government met officials from the LGA to discuss each proposal in turn. This took time. Issues relating to individual parishes and individual people were discussed in depth in Whitehall, which is a reform in itself. This is what we mean when we say that the Act is a wonderful tool to encourage a new dialogue between local people and local and central Government.

The LGA continued to challenge the Government and press us to address the issues and ideas raised by these local communities, and I will be talking to Councillor Mitchell about these proposals again next week as we try to come up with the shortlist that the hon. Member for Braintree and I are so keen to see.

This has been a very interesting process for all concerned, not least for me. It shows the priorities of local people and the barriers to the delivery of those priorities. I congratulate the hon. Member for North-East Bedfordshire on his foresight in consulting people about how his Bill would work before producing it. That shows a real commitment to the values in it. It is clear from the many responses we and he received that it is absolutely vital that the system be reformed. I know that some Members of this House—we have heard from one today—disagree

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with the view that the Bill can work, but if there is sufficient will and terrier-like action on the ground, it can. However, that does require us—all of us—to be responsible citizens and to have an input into the process as far as possible.

The Bill requires the Secretary of State to give notice of a further invitation, and I welcome that; we are more than happy to do it. That will give local authorities the time to prepare for the conversations that many of them have held so well, and that some have not. The Bill also gives us the power to specify other organisations that can submit proposals. The Government have a radical ambition for strong and accountable local government. Although we want to see local authorities firmly in the driving seat, free to innovate and take their own decisions, we also want to give others the opportunity to have their say. We are therefore delighted to explore how parish and town councils can submit proposals, in certain circumstances, further to drive progress in the idea of local action.

The Bill is also fully in line with our belief that the founding principle of local government is that citizens should have the right to influence the decisions that affect their lives and communities. Through the petitions duty in the Local Democracy, Economic Development and Construction Act 2009, we are supporting this principle. Regulations made under the Bill will promote that opportunity by making clearer the link between citizens' right to request that a proposal be submitted to the Secretary of State, and the opportunity for councils to demonstrate leadership by doing that.

The role of the LGA, which is so significant in the process, remains and can be enhanced to give it more influence to press matters of real importance. Through the use of regulations, the hon. Gentleman is giving it the opportunity to help shape its role, to add real value and to cut red tape and the cost to the taxpayer. The crucial element of its role—a power and an opportunity for a body to influence the Secretary of State, with the expectation that the Secretary of State will reach agreement on what to take forward—remains in full. Although new section 5B would give the Secretary of State the power to appoint more than one person, I can assure the House that the Government do not intend to spend more in implementing the new arrangements than they do on the current system.

The Government believe that the 2007 Act should be part of the architecture of local government. The Bill will strengthen the Act, reduce red tape and provide greater responsiveness to the needs of local people. I am extremely happy to report that the Government will support the Bill and to commend it to the House.

2.1 pm

Alistair Burt: With the leave of the House, Mr. Deputy Speaker, may I thank the Minister and both the other Front-Bench spokespeople for their support for the principle of the Bill? It reflects the sense of the early-day motion to which I have referred, which has the support of more than half the Members of the House. I am grateful for the support and I appreciate the Minister's comments. I think that the Bill will make a contribution to the changed architecture to which she refers. On the basis that it is unlikely that she and I will stand across the Chamber from each other again before she ~~stands~~ down, may I thank her formally for what she has achieved as Minister, both in this particular area of work and in her work in the east of England, where both of our constituencies lie?

Mr. James Arbuthnot (North-East Hampshire) (Con): I have come back from my constituency, where I was visiting schools, to support my hon. Friend's Bill. I congratulate him on the way in which he has approached it and on his success today. I particularly wish to congratulate the Minister on, and thank her for, the way in which she has approached the Bill. Her approach is the sort of thing that will restore trust in Parliament, and I am sorry to hear that she is leaving the House.

Alistair Burt: I thank my right hon. Friend for his kind remarks. He, too, has a good feel for and appreciation of the way in which grass-roots political activity contributes not only to this place, but to the success of local government and the like. I appreciate his comments and I am sure that they will be noted by the whole House.

We have had a robust debate in the time available to us. Disappointingly, we did not hear a great many contributions from Labour Members—the Labour Benches were empty—but Conservative Members engaged in a robust debate. I appreciated the support given to me by my hon. Friend the Member for Braintree (Mr. Newmark). I appreciated his comments about the Bill and how he made them, and his extensive knowledge of why this matters to local communities in his area and beyond.

My hon. Friend the Member for Christchurch (Mr. Chope) takes a slightly different view. His knowledge of and commitment to local government is considerable. I am with him in saying that what makes a difference to local government is having strong Conservative authorities—he is completely correct about that. However, I also think that because local government is moving on, engagement with the people, which perhaps he was able to engender in Wandsworth during his time there, is slightly different in many other ways now. The sort of engagement that is suggested through this Bill will assist in ensuring that strong local government and strong parties in local government will succeed and endure. I take what he says as a compliment, rather than something different, but our views differ and he has made it clear that he feels that this Bill should go into Committee to be considered further.

I accept my hon. Friend's judgment on that so, unfortunately, we will not be able to complete all the stages of the Bill today. However, we will seek to establish the Committee as soon as possible and I hope that we can resolve the concerns there. That will ensure that the commitment of all Opposition Members to the principle of the Bill remains intact. Although it cannot go through all its stages today, it can be refined very quickly, we hope, and we can then return and, I hope, get it on the statute book just before proceedings come to an end in this Parliament. Thank you for the time allowed to produce this Bill, Mr. Deputy Speaker, and I hope that it will now receive its Second Reading.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Lisbon Treaty (Referendum) Bill

Second Reading

2.5 pm

Mr. Nigel Dodds (Belfast, North) (DUP): I beg to move, That the Bill be now read a Second Time.

I am grateful for the opportunity to speak on this important issue. Trust was mentioned in the previous debate—in the context of trust in Parliament—and trust, once lost, is a hard thing to regain. As we meet here today, we know that distrust of politicians of all hues and distrust of this House are, tragically, at historically high levels. For that reason, the House should support this referendum Bill on the Lisbon treaty. There are a number of constitutional arguments and imperatives, but restoring the public's trust in politicians and this House must be foremost in our minds.

The way in which the ratification of the European constitution and its identical twin, the Lisbon treaty, have been handled is symptomatic of a culture that breeds distrust and encourages cynicism among the people of the United Kingdom. Distrust and cynicism are impossible to counter when most people know that the refusal to allow a referendum on our relationship with the European Union is driven by fear. Too many of our political class believe that the people cannot be trusted to vote for a particular outcome, and so those people are denied any say at all. If the political class as a whole does not display a trust in the people, how can we expect the people to trust us?

Distrust and cynicism are impossible to counter when a referendum was once promised by all three main parties in this House. Support for a referendum on the European constitution was once a matter of British political consensus. I thank and acknowledge the support of hon. Members from various parties—Liberal Democrats, Conservatives, Labour Members and others—who have agreed to sponsor my Bill.

The principle of a referendum had been commonly accepted. It was a position endorsed by the people in the 2005 general election. Yet what do people see now? They see that a cosy consensus has emerged among all the main political parties in this House to deny the people their say through a referendum on the new fundamental changes that are being made through the Lisbon treaty to implement the provisions of the original European constitution.

The Government broke the original consensus, arguing—incorrectly in my view, in that of the vast majority of the people of this country and, indeed, in that of august organs of this House—that the Lisbon treaty and the European constitution were two fundamentally different documents. Of course, that does not make the decision of others to follow suit the right choice. Some might think that I exaggerate, but the reversal by Her Majesty's Opposition on the subject of Lisbon was marked by a drop in support for them and in confidence in their leadership, neither of which they have since managed to restore. I believe that that shows that, beyond the merits of this issue, it is fundamentally an issue of trust as far as the public are concerned.

During the debate on Second Reading of the European Union (Amendment) Bill on 21 January 2008, the right hon. Member for Richmond, Yorks (Mr. Hague), made the issue for a referendum, saying that it rested

"above all on the need for the House and the Government to honour commitments solemnly given."

He referred to the fact that he goes around

"schools and colleges saying to young people that they should take an interest in politics, that their vote makes a difference, and that what is said at election time really counts".

Then he posed a salient and important question:

"What are we to say to them in future—that the fact that they elected an entire House of Commons committed to a referendum was of no account, that the Government regarded that commitment as a technicality to be escaped from rather than a promise to be kept, and that the promises made at election time do not really matter at all?—[*Official Report*, 21 January 2008; Vol. 470, c. 1256.]

That question can be applied with great force today, in the light of the decision of the right hon. Gentleman and all the main parties in the House to set aside their solemn commitments made at the time of the 2005 general election to allow the people to vote on these fundamental changes in the relationship with the European Union.

Distrust and cynicism are impossible to counter when people see power and influence slip further away from them. There is clearly a disconnect between the people and the institution of Parliament that must be repaired as quickly as possible—hopefully, during the next parliamentary term. However, that gulf between the voters and the House pales in comparison with the chasm between the people and the institutions of the European Union—the Commission and the Parliament.

The message of power in the hands of the people appeals, and it is used time and again, and will no doubt be a repeated theme during the coming general election, yet time and again Governments of every hue propose handing more powers over to the European Union. If they say that power will be restored to the people, yet send it in the opposite direction, how can we expect people to trust political parties or politicians?

Supporting the Bill fulfils the promise made by politicians and political parties in the House to the British people. The Government said in the Labour party's 2005 manifesto:

"We will put it to the British people in a referendum and campaign whole-heartedly for a 'Yes' vote".

That was in relation to the outcome of negotiations on the European constitution. The Prime Minister said just before taking office that he would regard honouring that manifesto as a matter of trust with the British people—that word "trust" again. That is what is at the centre of the denial of the people's right to have their say.

The Government have now resorted to saying that things are different. The red lines have been drawn, despite the fact that these are almost exactly the same as they were in 2005, when we were promised a referendum. That matter was examined in great detail by the European Scrutiny Committee. Its Chairman, the hon. Member for Linlithgow and East Falkirk (Michael Connarty), said that the proposed safeguards would "leak like a sieve". It has been made clear that the red lines make no real difference to the terms of the original European constitution.

Various peoples of Europe in various countries were asked to have their say. In May 2005 the French people had their say and rejected the constitution. In June 2005 Dutch voters swiftly followed suit. For once, the standard European tactic of calling a second referendum to get

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the right result was not chosen. Our referendum was postponed, not cancelled. In the aftermath the pro-constitution leaders and bureaucrats regrouped so that they could plan not how they would abide by the express will of the people of those countries and the clear view being expressed throughout Europe, but how they could develop a strategy to get around it—the Lisbon treaty strategy, a strategy to produce a new document that made the same changes as before, but essentially hid them.

Why do I claim that there is no substantive difference between the constitution as originally set out and the Lisbon treaty? I do so because Prime Ministers and Presidents across Europe queued up to tell us that the treaty and the constitution were the same in substance—from Angela Merkel, who said:

"The substance of the constitution is preserved. That is a fact",

to the then Danish Prime Minister, now the Secretary-General of NATO, who told us that

"all the symbolic elements have gone, and that which really matters—the core—is left."

We heard it from others as well.

The European Scrutiny Committee Chairman informed the House that

"every provision of the constitutional treaty, apart from the flags, mottos and anthems, is to be found in the reform treaty. We think that they are fundamentally the same". —[*Official Report*, 11 December 2007; Vol. 469, c. 211.]

The Foreign Affairs Committee said:

"There is no material difference between the provisions on foreign policy in the Constitutional Treaty which the Government made subject to approval in a referendum and those in the Lisbon treaty on which a referendum is being denied."

However, disguising the true meaning was not enough; it was necessary to avoid a referendum. State after state that had planned a constitutional referendum participated in a willing charade that the Lisbon proposals were somehow not as substantive as the constitution and need not be put to a vote. Frankly, it is a national disgrace that we in the United Kingdom were not only associated with but full participants in such a process, joining in with a near total democratic shut-out of people throughout Europe.

Mr. Douglas Carswell (Harwich) (Con): For decades it has been left to the political elite—if one can call them that—in SW1 and professional diplomats to decide our relationship with Europe. We need to give the people a say. Does the hon. Gentleman agree that we need to go even further and allow the people of the United Kingdom a vote on the UK's entire membership of the EU?

Mr. Dodds: I am grateful to the hon. Gentleman and thank him for his support. Others in the House would advocate a referendum on our whole membership—whether we should be in the European Union or not. My Bill, however, is about people fulfilling their 2005 general election promise, which was a specific commitment to a referendum on the new European constitution, and about trying to ensure that all the main parties honour that commitment. I have focused on that issue because it is a matter of restoring trust in politicians and this House. That specific issue must be addressed, and no doubt hon. Members will wish to say why—if this is still their position—they want to deny the people their say on the constitutional changes, and do not want to fulfil their manifesto commitments.

Mr. Christopher Chope (Christchurch) (Con): Does the hon. Gentleman not accept that one of the biggest travesties is that during the most recent general election people did not engage in a debate about Europe because they thought they would have one in a referendum? Cynically, the Government then denied the people a referendum, so does he share my hope that Europe will feature prominently in the forthcoming general election campaign?

Mr. Dodds: I am grateful to the hon. Gentleman, who is absolutely right. I well remember the 2005 election campaign, when the Government told the people that there was no need to concentrate on such a debate during that period because the subject would be debated in a referendum. That was clearly a means of getting the subject off the agenda, and I suspect that the same thing is happening in respect of the coming general election, because the Government do not want it to be a matter of public debate, and, sadly, neither does the leadership of the Opposition.

We have examined the Government's position, but let us examine that of Her Majesty's Opposition. In 2007, the right hon. Member for Witney (Mr. Cameron) made it absolutely explicit in his personal promise of a referendum, come what may, that there was no wriggle room. He offered a "cast-iron guarantee" that he would put any treaty in front of the voters and said that

"if I become prime minister a Conservative government will hold a referendum on any EU treaty that emerges from these negotiations"

meaning negotiations on the Lisbon treaty.

Significantly, the right hon. Gentleman also focused on trust. In an article in *The Sun* newspaper, he said:

"The final reason we must have a vote is trust. Gordon Brown talks about 'new' politics. But there's nothing 'new' about breaking your promises to the British public. It's classic Labour... Small wonder that so many people don't believe a word politicians ever say if they break their promises so casually."

We need to recall that a reference to the promise of a referendum was made again as late as May 2009, during the European election campaign. Yet in November 2009, the promise was dropped.

I could go on to deal with why a referendum is a perfectly acceptable means and device for dealing with this issue. Some argue that in a parliamentary democracy such as ours, we should not revert to the concept of a referendum, which is foreign to our tradition. However, a referendum can be entirely reconciled with the principle of parliamentary sovereignty: we have had one national referendum on membership of the Common Market, as it then was. The tradition has been well established in other areas of the United Kingdom, where polls have taken place and people have been asked their views when constitutional change has been brought about or considered.

The real reason, however, why we need a referendum is not only so that the people of the United Kingdom could be sure the issue was being taken seriously, but

that it is the only way of ensuring that those with whom we have to negotiate in Europe, and the EU Commission, will take us seriously.

Rather than have a referendum, it has been suggested that the way forward is to have a plan for the repatriation of powers from the European Union back to the United Kingdom. The suggestion could be put into a party manifesto that would be voted on in the general election. It is suggested that that would be an effective means of giving the necessary strength, power and authority to those who will negotiate on behalf of the Government with the other EU member states and the European Commission.

I leave aside the issue of why people should be expected to vote overwhelmingly on the basis of manifesto promises when previous clear-cut and "cast-iron" guarantees have already been set aside. The fact is that such a way forward would in no way give strength to the hands of negotiators as a clear referendum undoubtedly would. Without a referendum, it will be extremely difficult—impossible, I would say—for other EU states to agree unanimously, as they would have to, to accede to British wishes on the repatriation of powers.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Does the hon. Gentleman agree that the concept of the repatriation of powers is no more than hot air? In reality, many decent long-serving Conservatives are flooding off to other parties such as the UK Independence party because they have no trust in the Conservatives' proposals to repatriate powers.

Mr. Dodds: I am grateful to the hon. Gentleman for his intervention and his sponsorship of the Bill. People have a lot of distrust not only of the Conservative party but of the governing party and others. People see that instead of being given a clear say, as they were promised, they get vague notions about people going off to negotiate or hold the line. The Prime Minister said that there would be no further transfer of powers for two Parliaments. The Opposition said that they would go off, negotiate and introduce other measures. I shall come to those.

Compared with the clear-cut commitment to a referendum, all such notions make no impression on the British people. They want their say in a referendum, as they were promised. A referendum has the effect of ensuring that the political classes—the Government—carry out the wishes of the people. Frankly, it is a lot harder to fudge the outcome of negotiations that have been entered into following a massive referendum result, because the people would clearly hold the Government and their negotiations to account.

Some argue that as the Lisbon treaty has already been ratified, there is no point, value or efficacy in a referendum. If we take that view, then we might as well not have had the Irish referendum, and Harold Wilson's holding the referendum in 1975—after the United Kingdom had entered the Common Market—was pointless and without validity. Of course a referendum is still valid, and it is only because of a lack of political will that parties are now withdrawing from it.

As has been mentioned, some argue that there are ways short of a referendum to ensure that the UK's position is protected. It has been suggested that there should be a referendum on any future occasion when a transfer of powers from the UK to Brussels is proposed. I have no particular objection to that, but the great difficulty that most people will have with it is that it is about 25 years too late. Most of the building blocks for a European superstate are now in place, and the so-called self-amending or passerelle provisions in the Lisbon treaty could mean, if others have their way, that we will never again have a major debate or decision in this country on certain changes. So although the commitment to future referendums is fine, we still need one on the Lisbon treaty, because it consolidates the foundations of a European superstate.

It has also been suggested that legislation be introduced to enshrine the primacy of UK law over European Union law. One problem with that is that the Lisbon treaty confirms the primacy of EU law. Where there are disputes between EU and UK law, they are to be resolved by the European Court of Justice, which is of course obligated to promote European integration. There is not much comfort in that.

Even though some people do not accept the argument that the Lisbon treaty is virtually the same as the European constitution, no one who examines its contents and provisions can seriously argue that they are not of such fundamental importance to how this country is governed that they should be the subject of a referendum in their own right.

Mr. Mark Francois (Rayleigh) (Con): As the hon. Gentleman knows, when we debated the Lisbon treaty in the House we argued and voted for a referendum—it was our amendment. In fairness, he and many of his colleagues voted with us. We have now said that, given that Lisbon has been ratified, we should introduce a referendum lock so that any further treaty that transfers powers from Britain to the EU would have to be subject to a referendum. We would amend the European Communities Act 1972 to achieve that. I believe he has just indicated that he would support that if an incoming Conservative Government were to do it. Would he also support our parallel proposal for a similar referendum lock if anyone ever tried to force us into the euro, to which we are very much opposed?

Mr. Dodds: Yes, we are on record as saying that there should certainly be a referendum on any proposal to take us into the eurozone, and we would campaign for a no vote. The hon. Gentleman is right about the stance that was taken when the Bill on the Lisbon treaty was being debated, but what has gravely disappointed many people is what has happened following the Government's decision to abandon their clear manifesto pledge to have a referendum, which the Opposition rightly condemned as a breach of trust and a major reneging on pledges to the British people. Sadly, the Conservative Front Benchers have decided to go down the same route. I understand what the hon. Gentleman says, but I hope he accepts that it is not too late to have a referendum on the constitutional treaty. Such a referendum is essential not only in its own terms, but—I hope he agrees—in helping to restore trust between the British people, and politicians, political parties and the institution of Parliament.

2.30 pm

The Deputy Speaker interrupted the business (Standing Order No. 11(2)).

Bill to be read a Second time on Friday 5 March.

Business without Debate

EUROPEAN UNION MEMBERSHIP (REFERENDUM) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

LAND USE (GARDENS PROTECTION ETC) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 5 March.

BRITISH MUSEUM ACT 1963 (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 5 March.

VIDEO RECORDINGS (EXEMPTION FROM CLASSIFICATION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 5 March.

TOWN AND COUNTRY PLANNING ACT 1990 (AMENDMENT) BILL

Resumption of adjourned debate on Question (29 January), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 5 March.

DEVELOPMENT ON FLOOD PLAINS (ENVIRONMENT AGENCY POWERS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 5 March.

EMPLOYERS' LIABILITY INSURANCE BUREAU BILL

Motion made, That the Bill be read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 5 March.

CONTAMINATED BLOOD (SUPPORT FOR INFECTED AND BEREAVED PERSONS) BILL [*LORDS*]

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 5 March.

MORTGAGE REPOSSESSIONS (PROTECTION OF TENANTS ETC.) BILL

Bill, not amended in the Public Bill Committee, considered.

Bill read the Third time and passed.

Self-Care (Minor Ailments)

Motion made and Question proposed, That this House do now adjourn.—(*Mr. Spellar.*)

2.32 pm

Dr. Howard Stoate (Dartford) (Lab): It gives me great pleasure to introduce this debate. I should say at the outset that self-care is not about no care, but about ensuring that patients have far more control over their own health; not about saving money, but about ensuring that NHS resources are spent in the most cost-effective way to give the best possible outcomes; and not about simply passing people from professional to professional, but about many professionals being involved in ensuring that people can have control over decisions on their care.

The importance of self-care has long been recognised by the Government and their advisers. The Wanless review, published in 2004, concluded that the promotion of self-care is one of the most effective ways of reducing pressure on NHS front-line resources and improving overall health outcomes. That is very important. The review also said that for life expectancy and health outcomes to improve across the social gradient, patients need to become fully engaged in their health care and to take an active role in the diagnosis and treatment of conditions. Sir Derek Wanless called for the adoption of a comprehensive strategy on self-care that would give people the support and confidence they need to take greater responsibility for their health.

Lord Ara Darzi's vision of the future of the NHS, "High Quality Care For All", built on that vision, calling for more care to be transferred from hospitals into the community. More recently still, my right hon. Friend the current Health Secretary made it clear that the NHS needs to become

"a more preventative and people-centred service"

with patients getting more choice, more convenience and more control over their care.

We are still a long way short of the vision originally set out by Sir Derek Wanless. Research by IMS Health, for example, has found that every year 20 per cent. of all GP consultations involve minor ailments that patients could treat themselves. That is a grossly inefficient use of NHS resources. In most cases, minor ailments can be dealt with effectively and far more appropriately by patients opting to self-care.

It is worth listing the minor ailments that I mean. They are generally part of everyday life and include backaches, coughs and colds, headaches, toothache, indigestion, skin problems, allergies and some respiratory problems. In many cases people manage these minor ailments already through self-care using an over-the-counter, or OTC, product, but research conducted by the Proprietary Association of Great Britain indicates there is often a significant level of dependency on the doctor.

The research shows that people often abandon self-care in favour of a trip to the doctor. Typically, this switch is made between four to seven days after the onset of symptoms. According to GPs, this is earlier than needed, generating unnecessary consultations. Furthermore, in most of these cases, a prescription is issued that would not have been issued if patients took their own decisions.

Little research has been done to measure the amount of NHS resources dedicated to ailments that could be treated by self-care. The first major study was commissioned by PAGB and undertaken by IMS in 2007. The study considered GP work loads for minor ailments and the associated costs. It showed high volumes of GP consultations for minor ailments, with some 57 million consultations per year. Some 6 million of those consultations were for a minor ailment in association with another condition that necessitated a trip to the doctor, but 51 million were only for the minor ailment that could have been treated differently. That included 5.3 million consultations for nasal congestion, 6.8 million for heartburn and indigestion, and 2.7 million for migraines. It has been estimated that 18 per cent. of GPs' work loads were for consultations involving minor ailments alone. Nearly half the consultations are generated by 16 to 59-year-olds. Overall, minor ailments account for £2 billion of NHS funding a year or some £250,000 for every general practice in the country.

Why is this happening? The problem seems to be that a culture of dependency has built up, whereby patients lack the confidence to address minor ailments themselves through self-care. This must be addressed if we are to maximise the efficiency of NHS spend in these times of tightening budgets. There are three main reasons why this culture of dependency must be addressed. First, it would help to alleviate current demands on the NHS, and in particular GPs, for the treatment of minor ailments. The pharmacy White Paper makes several welcome recommendations to relieve pressure on GPs by utilising the resource of community pharmacies. That is to be encouraged, although I want to ensure that this debate is not simply about passing patients from one professional to another, but about enabling people to take care of themselves, when appropriate, and using the expertise of pharmacists and others to help them do so.

Secondly, we need to help people to strengthen their ability to self-care, empowering them to be more confident and independent in their attitudes and behaviour. Thirdly, we need to free up resources in the NHS, which could enable us to continue to develop NHS resources even in times of constrained budgets. We have to free up money to use in the most cost-effective and appropriate way, thereby continuing the development of front-line patient services.

These calls originate from the London declaration for self-care, which was signed up by both the PAGB and the Royal College of General Practitioners, and emerged from a joint conference last year that I attended.

Why do patients fail to choose self-care? They are usually looking for reassurance on diagnosis from a medical professional, or confirmation that no serious disease is present. Asking patients to make a risk assessment of their symptoms, then select an appropriate medication and finally monitor their response to the medication demands a degree of confidence and knowledge that many feel they do not have. People are also much less likely to "risk" self-care if it is a question of someone else's health, such as a child or dependent adult.

The culture of the NHS also encourages dependency. Speaking at a conference organised by the Royal College of General Practitioners and the PAGB last November, Dr. Laurence Buckman, chair of the British Medical

[Dr. Howard Stoate]

Association's general practitioners committee, suggested that the nature of the relationship between patient and GP, with the GP seen as an uncritical, no-strings-attached provider of free medication, supplements, housing, legal support and advocacy, has encouraged a culture of passive dependency among patients, coupled with an ingrained aversion to risk. He feels that, as a result, many patients feel scared to proceed without permission.

Other factors that might also play a part are the duration of the illness, previous experience of the illness, availability of suitable medicines and social factors such as family pressures. Confidence, too, is a key factor. Once a patient has successfully self-treated on one occasion, they are much more likely to do so again should the illness recur. Moreover, once a patient is in the habit of self-caring, there is a good chance that their family and friends will follow suit. Cost, too, is an issue. Many patients will make appointments to see a GP simply to get a free prescription for a minor medication or analgesic. In theory, patients should be able to pick these prescriptions up from the pharmacists, many of whom can now prescribe independently, but that is not happening as much as it could. The NHS, as a whole, needs to do more to publicise this option.

Why are professionals failing to promote self-care? The best way of persuading patients to self-care is if their doctors, pharmacists or practice nurses—people whom they know and trust—encourage them to do so. Yet self-care is an option rarely discussed in consultations, and many doctors feel that it is an issue that they do not have much time for in a consultation. Crucially, there are no performance-related financial incentives to promote self-care. Although promoting self-care might help to reduce surgery work load in the long term, it does not appear to be influencing practitioners' behaviour at the moment. Perhaps we need to consider whether the quality and outcomes framework could be used to encourage GPs to include self-care as part of a consultation.

There are good examples from around the country, however, of where that has been working. The Pharmacy First minor ailments scheme, which was introduced in Erewash primary care trust a few years ago, is a good example of a self-care programme in action. Aimed at the mothers and carers of children aged from three months to 12 years, it attempted to increase awareness and take-up of self-care options and reduce the number of GP consultations for minor complaints. Information booklets and leaflets including, "Better Health at Home and at Work", "Caring for Kids" and material relating to seasonal campaigns—on, for example, winter ailments and hay fever—were distributed widely across the community to support the scheme. The scheme was accompanied by a lot of public relations activity supporting the minor ailments promotion.

As well as leading to a slightly higher level of self-care for several childhood ailments, the scheme encouraged mothers and carers to think again about how they used GPs, pharmacists, practice nurses and other health care professionals. The scheme also illustrated how hard it is to encourage patients to become more self-sufficient and confident in their own care. Not only do we need extensive, carefully tailored community publicity, but we need to ensure that key opinion formers, such as GPs, early years child care workers, health visitors and teachers, are fully behind the self-care model. We also need national publicity and high-profile endorsements, which are also important in changing patients' attitudes. In other words, if we want to achieve a lasting cultural shift in perceptions of self-care across the country, we need a coherent, well-planned national campaign requiring ministerial support.

How can greater self-care be achieved? The opportunities for self-care are greater than ever before, given the growing number of formerly prescription-only medicines now available over the counter, including for indigestion, pain, thrush, quite a few minor infections, and emergency and hormonal contraception. That is beginning to turn the tide. To increase the level of self-care we also need to address the culture of dependency and give patients the support that they need to feel confident in treating their own minor ailments.

All that could lead to significant cost savings, which, as I have said, could be passported to other parts of the NHS to achieve greater improvement there. According to a list that I have managed to achieve, the 10 minor ailments most commonly seen in consultation, beginning with the most common, are: back pain, dermatitis, heartburn and indigestion, nasal congestion, constipation, migraine, cough, acne, sprains and strains, and headache. That is a long list of minor ailments for which medication is now available over the counter. We need to take action to ensure that that is more widely publicised.

Five clear steps need to be taken if we are to ensure that self-care is increased. First, it is time to recognise the need to change the culture of dependency for minor ailments. Secondly, we need to develop a training package for health care professionals—GPs, pharmacists and nurses—on how to conduct "self-care aware" consultations. Thirdly, we need to initiate communications, nationally and locally, on the efficient use of the health system and taking responsibility for one's own health and that of one's family. We need TV and radio advertising campaigns, together with posters and patient information leaflets, in GP surgeries, pharmacies and citizens advice bureaux, that provide lists of minor ailments that could be treated by over-the-counter medications. All promotional material should include the strapline, "Ask your pharmacist", because many people will approach their pharmacists, as they are often open quite late and on weekends.

We also need to develop a co-ordinated health and social care policy that promotes self-care behaviour, particularly for minor ailments, and introduce a comprehensive health education package in schools, to ensure that future generations use the health service efficiently and understand the principles of healthy living. Pharmacists and expert patients could also be invited into schools to give presentations on self-care. With those proposals in place, there is a good chance that we will begin to change attitudes to self-care among patients across the country. I hope that my right hon. and learned Friend the Minister will give those suggestions good consideration.

2.46 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): I certainly agree with my hon. Friend the Member for Dartford (Dr. Stoate) that those proposals

need to be given serious consideration. Let me begin by congratulating him on holding this debate, on a subject that is important to him as chairman of both the all-party pharmacy group and the all-party primary care and public health group. Self-care is a cause that he has championed. He has made a strong case that some people turn to their GP when they do not need to, for minor ailments such as coughs and colds, and indigestion, rather than using simple and basic methods of care themselves. That is partly about knowledge and partly about self-confidence, as well as about people being willing to make a judgment about when they really need to see their GP and when they are going just for a bit of reassurance.

Last November, the Proprietary Association of Great Britain and the Royal College of General Practitioners launched their "Declaration of Self Care". They put the total cost of GPs treating minor ailments at around £2 billion, of which £1.5 billion is in GP time. The potential benefits of some element of self-care are considerable, if we can begin to change the attitudes of some patients, some GPs and others. With proper support from health professionals such as pharmacists, people can take the appropriate level of responsibility for their own health. GPs could then focus on treating more complex conditions, which make better use of their expertise and time.

We need to get the balance right. We do not want people with difficult long-term conditions not going to see their GPs. That is not what this debate is about, nor is it about saving money. The NHS budget has increased massively in recent years. It will increase by 5.5 per cent. this year and 5.5 per cent. next year, and we will lock in that further increase for front-line services over the following two years.

Self-care, which comes in many forms, is about people looking after themselves and their families better, where that is the right thing to do. Many people do it, whereas some do not. Self-care can range from taking paracetamol when someone gets a cold, to disinfecting their child's grazed knee when they fall, and from eating healthily and exercising more to stay fit, to getting out for a walk if they are feeling low—or it can mean someone deciding actively to manage their long-term condition with the help of health care professionals.

Society has changed in recent decades. People want more choice. They want to remain independent and stay healthy. They want safe, effective services, tailored to their needs and delivered as near to their homes as possible. A survey in 2005 showed that more than 80 per cent. of people with long-term conditions already play an active part in their own care, that more than 90 per cent. want to do more, and that more than three quarters would feel far more confident about taking care of their own health if they had the right support.

The NHS has also changed. The Government have long been committed to making medicines available over the counter by switching their legal status when it is safe to do so. For example, azithromycin, for people with chlamydia, has moved from being available only on prescription to being available over the counter in pharmacies. Similarly, many nicotine replacement therapies that were previously available only on prescription in pharmacies are now widely available on the high street. We have now made them available without a prescription.

The Government have gone to great lengths to give people more and more accessible information on health. In the late 1990s, we launched NHS Direct, providing national, 24/7 access to information, advice and support over the phone and on the internet. NHS Direct has a number of online tools to help people to care for themselves at home, such as symptom checkers and a "click to call back" function, whereby patients can request a phone call from NHS Direct. In 2008-09, 52 per cent. of all calls to NHS Direct were completed without the need for further medical attention—for example, from a GP.

In 2007, we introduced the NHS Choices website, which now receives more than 8 million visits a month. It provides convenient, comprehensive and clinically accredited information about treatments and local services on health, health improvement and social care. There, people can find "Your health, your way", a guide to long-term conditions and self-care. It also tells people about the range of self-care support available to them locally, including healthy living advice, information about their condition, training to help people feel more in control, and access to self-help groups and to new technology to help people remain independent and in control. As a consequence, people are increasingly using NHS Choices rather than calling NHS Direct or visiting a GP.

Self-care is about more than just providing information, however. It is also about improving the partnership between professionals and the general public. General practitioners have a crucial role to play in engaging people in their own care and helping them to manage their condition, and many GPs already do this brilliantly. But we need to support new GPs and those who want to improve, and we have worked with the Academy of Medical Royal Colleges to produce an e-learning module called "Supporting Self-Care", which is now part of the Royal College of General Practitioners' e-GP training materials.

Of course, not everyone has access to the internet. Those who are not on the web can visit their local community pharmacy for information and support. Pharmacies already support self-care, providing advice and selling over-the-counter medicines, when appropriate. Since the 2005 community pharmacy contractual framework was introduced, support for self-care has been one of the essential services delivered by all community pharmacies in England.

The aim was to increase access and choice for people, including their carers, who wish to look after themselves or their families, helping them to self-manage minor illnesses, injuries or long-term conditions. Every day, pharmacies advise millions of people on how to treat or manage minor conditions, and on the appropriate use of over-the-counter medicines. When a pharmacy cannot help, it can provide information on health and social care providers or support organisations that can offer that help. The contractual framework represented a major change in the role of community pharmacies, from the place where medicines were dispensed, to somewhere that can offer more clinical services, such as chlamydia screening, health checks and support for people with long-term conditions. Some PCTs have even commissioned pharmacies to provide minor ailment services for those who do not pay prescription charges. By 2008-09, more than 3,200 pharmacies provided this service, an increase of 5 per cent. on the previous year.

[Mr. Mike O'Brien]

If these measures are to make a real impact, however, people must first understand that pharmacists are highly trained clinical professionals in their own right who can help them with their self-care. So this year, we will raise public awareness of the skills, expertise and services offered by pharmacies. We are also funding some PCTs specifically to promote services commissioned through and delivered by community pharmacies.

Pharmacy has an important contribution to make to improving public health and reducing health inequalities. One of the themes in our 2008 White Paper "Pharmacy in England: building on strengths—delivering the future" was to help people to self-care—to improve their health and well-being and to take better care of themselves. Work is progressing on a framework to transform into healthy living pharmacies, focusing on prevention as well as cure. We have also published a number of educational resources to help pharmacy staff deliver advice to members of the public on subjects including stopping smoking, weight management and physical activity.

The Government therefore recognise the importance of having reliable, convenient advice readily available—whether it be on the phone, on the NHS Choices website, in GP surgeries or in local pharmacies. I think that the proposals set out at the end of my hon. Friend's contribution are an important contribution to the debate on how we should drive this agenda forward. There are enormous benefits to be gained from encouraging people to take more responsibility for their own well-being, where it is right to do so. We will continue to support people to make their own informed choices.

Question put and agreed to.

2.56 pm

House adjourned.

House of Commons

Monday 1 March 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Listed Sporting Events

1. **Mr. John Grogan** (Selby) (Lab): When he expects to respond to the David Davies review of listed sporting events. [318848]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): Let me begin by apologising for the absence of my hon. Friend the Minister for Sport, who is en route back from Vancouver.

I intend to make a decision on this issue as soon as possible following the close of the Government's statutory consultation.

Mr. Grogan: When considering representations from the England and Wales Cricket Board, will my right hon. Friend bear in mind that grass-roots cricket receives as much money from the lottery and the Sports Council as it does from broadcasting, that the principal sponsor of English cricket says that it is far more likely to renew its sponsorship if there is some free-to-air exposure, and that the proposal to relist the Ashes effectively means simulcasting one series from 2017 on free-to-air and subscription television?

Mr. Bradshaw: As my hon. Friend is absolutely right to say, grass-roots sports benefit not only from the revenue raised by the selling of television rights but from significant central Government funds, through our sporting bodies and the lottery. I am well aware of the strong support in the House and the country for the return of test cricket to free-to-view television. We will consider all representations very carefully before making a decision that we think will be in the interests of the public.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Notwithstanding that, does the Secretary of State accept that our success in a number of sports in recent years, particularly cricket and golf, has been largely due to the huge amount of money that has gone into those games as a result of the sale of broadcasting rights? The ECB has estimated that listing the Ashes tests will cost it £100 million. Will the Secretary of State think about that very carefully when he considers the Davies report? If he proceeds with the listing, huge damage will be done to grass-roots sports throughout the country.

Mr. Bradshaw: We will consider all representations very carefully. The hon. Gentleman has made an important point about the potential impact on some of the sporting organisations, although some of the figures that are being bandied about may be open to challenge. There is a balance to be struck between the understandable desire of sporting organisations to make a lot of money by selling television rights and the right of the public to have access to some of the big sporting occasions that the nation enjoys.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Whatever the final decision, it will have different impacts on different parts of the country. I am thinking particularly of the impact on grass-roots football. Before the final decision is made, will my right hon. Friend receive a representation from Scottish football fans and members of the Scottish Football Association to ensure that there is very little impact on grass-roots football in Scotland?

Mr. Bradshaw: We are happy to receive as many representations as anyone wants to submit.

Hugh Robertson (Faversham and Mid-Kent) (Con): A considerable number of county cricket chairmen, including one whom I believe has been mentioned by my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), are writing to Members in all parts of the House about the listed events review, and they have been joined today by the International Cricket Council. Given that Sport England grants cricket—I think—£37.8 million, and given that, as my hon. Friend said, the county cricket chairmen claim that the hit to cricket will be £100 million, will the Secretary of State confirm that, having extended the review to the middle of March, the Government intend to conduct an independent economic assessment? Without such an assessment, it will be almost impossible to reconcile the two conflicting claims.

Mr. Bradshaw: I can confirm that, but I urge the hon. Gentleman, who regularly raises sporting bodies' concerns about this matter in the House, to recognise that there are two sides to the debate. I was surprised to read last week that he thought it would be foolish to list test cricket, and that listing events was

"an artificial interference in the freedom of a sport's governing body."

That is the complete opposite of what was said by the hon. Member for South-West Surrey (Mr. Hunt), the shadow Secretary of State, who, only last November, welcomed the Davies report and the principle of listing. That further U-turn from the Conservatives demonstrates their complete confusion over their policy.

Tourism Industry

2. **Mr. Adrian Sanders** (Torbay) (LD): What recent assessment he has made of the prospects for the domestic tourism industry in 2010; and if he will make a statement. [318849]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): We expect continuing positive growth in domestic tourism following a 7 per cent. increase in the number of overnight trips and a 4 per cent. increase in visitor expenditure in the first 10 months of 2009. VisitBritain has forecast that the number of visitors from overseas could increase by 0.8 per cent. in 2010, with a corresponding rise of 3.8 per cent. in visitor spend.

Mr. Sanders: Is the Minister aware of a study of lower VAT rates by the British Association of Leisure Parks, Piers and Attractions, which concluded that were we to adopt a VAT rate for accommodation and restaurants similar to the rates charged by our competitors in Europe, we would not only boost domestic tourism but increase Treasury revenues in the long run?

Margaret Hodge: Indeed. I am also aware that BALPPA's figures for last year showed a 10 per cent. increase in the number of visitors to its members' attractions.

I have received representations on the issue of VAT. That issue is obviously a matter for the Chancellor, but we provide visitors with benefits that other countries do not provide. For example, free access to our museums is a very important attraction that encourages people to visit the United Kingdom.

Rob Marris (Wolverhampton, South-West) (Lab): What effect does the Minister think changes to the industrial building allowance tax regime will have on the domestic tourist industry?

Margaret Hodge: Again, I have had representations on that issue, and, again, I have to say that it is a matter for the Chancellor. The fact that we have been able to encourage both domestic tourism and increasing numbers of people from Europe to visit Britain ought, of course, to benefit the tourism industry, and all the figures and statistics suggest that we are moving in the right direction.

Mr. Nigel Evans (Ribble Valley) (Con): As the Minister will know, we have a very good network of farms with second homes that are let out as holiday lets, particularly in the Ribble Valley. In the last Budget, however, a tax change made it less advantageous for the owners of these second homes to let them out as holiday lets. Will the Minister make representations to the Chancellor, asking him to right the wrong that has been done so that we do not lose this network, particularly as it has proved to be a great income supplement on farms that do not make a lot of money?

Margaret Hodge: I am very aware of that problem, and I have taken members of the industry who are already particularly affected to a meeting with the Chancellor. The position is, however, that we are being driven by European regulations, not by any desire to increase income to the Treasury. [Hon. Members: "Ah."] Yes, this is, indeed, to do with European regulations, and if Opposition Members do not like that, I am not quite sure what they propose to do about it. I shall, however, repeat to the hon. Gentleman what I have already said to the industry, which is that if it comes forward with a proposition that is workable for it and that complies with the EU regulations, both myself and Treasury Ministers will look at that very seriously. We do not want to do anything that has a negative impact on that part of the industry.

Scottish Television

3. **Mr. William Bain** (Glasgow, North-East) (Lab): What assessment has been made of the likely effect on employment in Scotland of reclassification of Scottish Television as an independent producer. [318859]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): We are currently assessing the responses to our consultation on this proposal, and, as my hon. Friend will be aware, there are differing views in Scotland about the benefits in terms of jobs and production. We will take all these responses and views into consideration before proceeding further.

Mr. Bain: I thank my right hon. Friend for his reply. In conducting a further assessment of the responses to the consultation, will he accept that, although there is a very strong argument for the share of commissions from Scotland increasing from the current 2 per cent., any reclassification should be made only after consideration has been given to the effect on independent television producers in Scotland as well?

Mr. Bradshaw: I entirely agree with my hon. Friend on that. On a recent visit to Glasgow, I had an opportunity to discuss these issues with representatives of STV, the BBC, which has an indirect interest in this, and smaller producers, and we certainly would not want to do anything that had a negative impact on any of them. Our common objective is to increase the amount of domestic production in Scotland and in the UK as a whole.

Adam Price (Carmarthen, East and Dinefwr) (PC): May I raise with the Secretary of State another matter of considerable import to Scottish television—and it would be remiss of me on St. David's day not to mention that it is also of considerable interest to us in Wales—which is the prospects for the independently funded news consortiums? Is there any realistic chance that the contracts will be signed before the general election, and if they are not, will not the entire process simply be placed in abeyance until the outcome of the election is known?

Mr. Bradshaw: I am grateful for your assent that that question is in order, Mr. Speaker. I cannot promise the hon. Gentleman that the contracts will be signed before the general election, but it is certainly our intention to announce the preferred bidders, both in Wales and Scotland and in the sole English pilot region of Tyne Tees and Border. Whether we manage to secure quality regional news in Wales, Scotland and the English regions in the future will depend on the outcome of the next general election, because the Labour party is committed to achieving that, while the Conservatives have absolutely no proposal whatever to do so.

Television Production (Funding)

4. **Paul Rowen** (Rochdale) (LD): What steps the Government are taking to encourage funding for the development of original UK television content. [318851]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): The Government are taking a number of steps to encourage more investment in original UK content, including through the Digital Economy Bill that is going through Parliament. I also welcome the fact that the BBC has said its current review will include steps to boost investment in domestic content.

Paul Rowen: As I am sure the Secretary of State is aware, investment in original content has declined by £340 million in the last five years. In the light of that, will the Secretary of State consider using the Digital Economy Bill as an opportunity to repeal the contract rights renewal regulations, which penalise, in particular, ITV's investment in original content?

Mr. Bradshaw: I do not think it is practicable to do that in the Bill going through the House, because that Bill contains a lot. We have carefully examined the possibility of doing what the hon. Gentleman suggests, and I am sympathetic to the point that he makes and to the complaints that have been made about this by ITV. As he will be aware, the Competition Commission has not yet made its final ruling and we should await the outcome of that. ITV would, of course, be perfectly able to appeal against that decision, and this Government would be very supportive of such an appeal.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that if we are to get more original content, we need more original talent? Is it not time that the BBC stopped looking as though it is a closed shop for the Yentobs and the Dimblebys, and enabled young people who come from ordinary backgrounds but who have talent to make programmes?

Mr. Bradshaw: I think that there are great talents among people of all ages; I happen to think that David Dimbleby, who I believe is in his early 70s, does a remarkable job—

Mr. Sheerman: It is a terrible programme.

Mr. Bradshaw: My hon. Friend may not like it, but David Dimbleby does a remarkable job. There is also very good young talent on the BBC. One of the BBC's great strengths is that it nurtures and values talent of all ages and in all types of taste. Perhaps that is not to the taste of everybody in this House, but that is exactly what the BBC is there to do.

Mr. Don Foster (Bath) (LD): May I welcome what the Secretary of State said about contract rights renewal and ITV, but does he acknowledge that it is the BBC that is one of the key providers of original UK content and that it needs security of funding to be able to plan for the future? *[Interruption.]* Does he, therefore, accept that it does not help if a potential Government start talking about top-slicing and cutting the BBC down to size or even, as he has done, about bringing the licence fee to an end in just three years?

Mr. Bradshaw: The whole House will have heard the chorus of disapproval from Conservative Members at the hon. Gentleman's suggestion that the BBC should have proper secure funding in the future. I agree with him; I think that the BBC is probably the best broadcasting organisation in the world. It is a very valuable part of our media landscape, and it is hugely important in terms of nurturing talent and investing in UK production. Of course there will be a debate about the future of the BBC, and the future of its funding and the form of it, as that always happens when we have a discussion about the charter and licence fee renewal. That is the time to have that debate, and we should support the BBC and all the good work it does for the country.

Mr. Jeremy Hunt (South-West Surrey) (Con): Digital piracy is one of the biggest concerns for people investing in British TV, so what specific measures has the Secretary of State taken to block access to websites that deliberately promote illegal downloading?

Mr. Bradshaw: The hon. Gentleman will be aware of the position, because of our discussions about this both in private and in the other place about measures in the Digital Economy Bill. I suggest that the most constructive thing he could do to help prevent this serious theft, which is losing our creative economy hundreds of millions of pounds a year, is to support the Government's attempts to get this Bill on to the statute book, and not to try to undermine them.

Mr. Hunt: But the Secretary of State knows that clause 17 cannot be used to block access to illegal downloading websites—he told me so himself. It is possible to rephrase the Digital Economy Bill to do this. The person who would do that would presumably be the Minister responsible for the creative industries, so why has the hon. Member for Birmingham, Erdington (Mr. Simon) not been replaced since he stepped down? Is it that the Secretary of State is waiting for the country to replace not just one Minister, but all of them?

Mr. Bradshaw: The hon. Gentleman knows very well why we do not think that his solution of site blocking is a sensible way forward. He has received a briefing on it, and if he disagrees with our reasons, he should make his concerns plain to us. However, I should like to take this opportunity to pay tribute to my erstwhile colleague who, as Minister with responsibility for the digital economy, did a great job. As the hon. Gentleman knows, ministerial appointments are a matter for the Prime Minister. In the meantime, my right hon. Friend the Minister of State and I are coping fairly well, thank you very much.

5. **Mr. Lindsay Hoyle** (Chorley) (Lab): What estimate he has made of the level of funding for television programme production in the UK in the last five years. [318854]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): Until the recent fall in advertising revenue, there had been a steady and welcome increase in funding for UK production. We would expect this increase to resume as the economy recovers and as a result of the measures that I was outlining a moment ago.

Mr. Hoyle: I must congratulate the Secretary of State on his support for product placement—this is going to make a difference. When will the necessary legislation

be in place and what benefit will it give to Granadaland, which has fine studios for the production of local television?

Mr. Bradshaw: We intend to lay the order in the next few days—either this week or next—and, as I understand it, it will then be on the statute book within three weeks, as long as it is not prayed against.

Sir Patrick Cormack (South Staffordshire) (Con): Has the Secretary of State seen the recent report from the Select Committee on Northern Ireland Affairs? It indicates that Northern Ireland has been shamefully neglected in the funding of television programmes, that Northern Ireland is not adequately portrayed in this country and that talent is not sufficiently encouraged there. When the Minister appeared before the Committee, he was totally ignorant and had not even been to Northern Ireland.

Mr. Bradshaw: I have certainly been to Northern Ireland many times, although not in my current capacity. I shall certainly look at the recommendations made by the hon. Gentleman's Committee and I shall respond to him, if I may, in writing. I would add, however, that we have recently committed ourselves to some considerable funding for Northern Ireland to help preserve the Irish language service when the digital switchover happens. He will also be aware, as he takes a strong interest in these things, that some of the commercial pressures that the rest of the commercial ITV network has come under across the UK have not been so severe in Northern Ireland. UTV has still performed very strongly, because of the strength of its brand.

Participation in Sport

6. **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): What assessment he has made of his Department's progress in increasing the level of participation in sport since 1997. [318855]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): The number of adults regularly playing sport has increased since the figures were first collected in 2005 by more than 600,000 to just under 7 million. There has also been a dramatic turnaround in school sport. In 2003, only one in four children got at least two hours of quality physical education. Today, 90 per cent. do and more than half are doing at least three hours a week.

Derek Wyatt: I thank the Secretary of State for those figures, which are impressive. However, does he think that we would have made even more progress if we had had a separate Department for sport and health?

Mr. Bradshaw: No. I think that the structure of governance that we have at the moment, which we introduced in 1997, is a very good one. That does not mean, however, that there are not very good arguments for my Department working much more closely with the Department of Health and the Department for Children, Schools and Families, as we have been on the whole public health, sport and physical activity agenda. We have been seeing the fruits of that co-operation and we will see further fruits of that co-operation in the weeks to come and in our manifesto.

Christopher Fraser (South-West Norfolk) (Con): The school sports partnership impact study found that declining participation was especially marked among the 16-to-19 age group. What progress has been made in reducing the number of 16-year-olds who drop out of sport?

Mr. Bradshaw: The challenge that the hon. Gentleman puts his finger on is that it is more difficult, obviously, when young people are not necessarily in full-time or compulsory education to devise a curriculum that ensures that they take part in physical activity. However, strenuous efforts are going on at local level through the school sports partnership and other sports bodies to address the particular concern that he raises. I will happily write to him with the latest figures on participation among 16 to 18-year-olds if that would be helpful.

Travelling Circuses

8. **Peter Luff** (Mid-Worcestershire) (Con): What progress has been made in discussions between his Department, the local authorities committee on regulatory services and representatives of the circus industry on reform of the licensing regime for travelling circuses; and if he will make a statement. [318858]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): We have convened a working group of stakeholders, which includes local government and circus representatives, to develop options for what is called a portable licence for travelling circuses. The group met on 23 February and hopes to conclude its work by late spring, after which there will be a public consultation on possible options.

Peter Luff: I hope that the Minister will pass to her colleague the Under-Secretary my gratitude for this progress—perhaps belated progress, but progress none the less—that is being made. If I may take a liberty, may I adapt her party's election slogan and say that if she keeps up momentum, we might be able to look forward to a future circus for all?

Margaret Hodge: I note what the hon. Gentleman has said and I congratulate him, because he has taken a close interest in these matters. I think that his lobbying has finally been successful. I know that the group is meeting again at the end of March and I hope that the consultation will then be produced immediately after the election and that the new regulations can be brought into force quickly.

Media Images (Women)

9. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What recent discussions he has had with media representatives on the portrayal of women in (a) publications and (b) broadcasts. [318860]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): We have regular discussions with the independent regulators—Ofcom and the Advertising Standards Authority—and keep these matters under constant review.

Mr. Pelling: I was encouraged by the positive response from the Leader of the House when I raised a similar issue on Thursday. Has the Minister been able to take cognisance of the report from the Royal College of Psychiatrists, which suggested joint working between advertisers, media, Government and physicians to deal with this very important issue?

Margaret Hodge: I noted the hon. Gentleman's comments to the Leader of the House last week. This is a very important issue and it is very difficult to find specific influences on outcomes for children and their behaviour. We have also had the report from Linda Papadopoulos last Thursday, which we are studying to see whether there are implications to which we need to have regard and whether we need to take further action.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Is the Minister aware of the quite widespread concern among women, particularly mothers, about the proliferation of lads mags? The concern is not that they exist, but that if one goes into a newsagents with one's child to buy some sweets, one finds them at the child's eye level, often displayed in prime position. What can be done to toughen the regulatory regime to ensure that those magazines are put on the top shelf where they deserve to be?

Margaret Hodge: I am, indeed, aware of those concerns, and I know that the vast majority of lads mags are on the top shelves. The last figures I saw suggested that 58 per cent. were put on the top shelf. Until now, this has been a matter for self-regulation, but we keep it under constant review; it is an issue on which all Members of the House share concerns.

Live Music (Small Venues)

10. **John Hemming** (Birmingham, Yardley) (LD): What progress has been made in encouraging the performance of live music in small venues. [318861]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): Small venues are using the new minor variations process to add live music to their licences, and we have also been encouraging the use of the existing incidental live music exemption. The Government are also consulting on a proposal to exempt small live music events from the Licensing Act 2003.

John Hemming: I thank the Secretary of State for that answer. Will the Government be supporting the Live Music Bill of my hon. Friend the Member for Bath (Mr. Foster), which will assist venues that do not serve alcohol, such as village halls and school halls, in that regard?

Mr. Bradshaw: We think that there are a number of problems with the Bill, partly because there has been no formal consultation on its proposals. The hon. Gentleman will be aware that the proposals in the Bill are strongly opposed by the Conservative-controlled Local Government Association and by LACORS—Local Authorities Co-ordinators of Regulatory Services. Without such proper consultation, we would be very worried about the legal robustness of such legislation. Also, we do not think that the focus on the old two-in-a-bar rule, which the Liberal Democrats and the music industry campaigned against for many years, is the right way forward. We think that our proposal is sensible and that it balances the needs of the music industry, of young musicians to get experience of performing and of local residents and councils regarding undue noise and disturbance.

Kelvin Hopkins (Luton, North) (Lab): Is it not sensible to apply restrictions on the volume of sound that is produced in small venues rather than on the nature of music or sound being produced? The situation is such that a single musician, heavily amplified, can make more noise than a jazz big band; I think that is a great shame.

Mr. Bradshaw: Yes, my hon. Friend is absolutely right. That is why we believe that the approach proposed by the Liberal Democrats through the Bill that originated in the other place is not the way forward to address this problem.

Bob Spink (Castle Point) (Ind): I thank the Government for the action that they have taken to relax licensing requirements for charitable events, but will the Secretary of State give further, strong guidance to local authorities that are still being over-officious in preventing small and medium-sized charity events from proceeding?

Mr. Bradshaw: Yes. One of the main problems in this area is not that existing guidance and legislation are flawed, but that they are implemented differently by different local authorities. The hon. Gentleman is absolutely right to put his finger on the problem that some local authorities are much more sensible and proportionate in their enforcement of the rules and guidelines while others are much more, as he calls it, officious. Authorities should look to adopt the best practice guidance, which respects the needs of local communities for peace and quiet but does not stifle opportunities for young, creative musicians to perform and practise.

Mr. Edward Vaizey (Wantage) (Con): The Government are fond of saying that there has been an increase in live music since the Licensing Act came in. One reason for that is that the number of events that need to be licensed has increased, and another is the coming on stream of the O_2 arena and Wembley stadium. Is the Minister aware that the UK Statistics Authority has said:

"The DCMS...and Press Office will be alerted to the possibility of misinterpretation and the need to exercise caution when quoting the figures"?

Can he confirm that the UK Statistics Authority has written to him in those terms and that he will exercise caution in using those figures in future?

Mr. Bradshaw: Unlike the Conservative party, we always take very seriously what the UK Statistics Authority says, and I shall do so. Certainly on the information we have, I do not think anyone challenges the fact that there has been significant growth in the amount of live music, but the hon. Gentleman is right to identify the fact that it has been concentrated in medium and larger-sized venues. Similar growth has not been seen in smaller venues, which is exactly why we are proposing to extend the exemption to them.

Again, however, I am afraid I am still completely confused about the hon. Gentleman's policy. On the one hand, he told the Performers Alliance, at a reception at Parliament recently, that he supported Lord Clement-Jones's Bill; but on the other, the Conservative Local Government Association is vehemently opposed to any exemption for licensed premises.

Cultural Olympiad

11. **Ann Winterton** (Congleton) (Con): What recent progress has been made on the programme for the Cultural Olympiad; and if he will make a statement. [318862]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): Three major cultural projects have been launched so far, and nearly 150 projects have been awarded the Inspire mark. More than 1,400 open weekend events were held during 2008 and 2009. In July 2009, the Cultural Olympiad Board was established, placing delivery of the Cultural Olympiad in the hands of our world-renowned cultural sector.

Ann Winterton: Does the right hon. Lady believe that further progress could be made if the rather pompous title "Cultural Olympiad" was dropped for something in plain English that describes to the general public what it actually means? Will she ensure that if there is a lasting cultural legacy from the Olympics, it is spread throughout the United Kingdom and not just confined to London?

Margaret Hodge: I have a lot of sympathy with the views of the hon. Lady—

Peter Luff (Mid-Worcestershire) (Con): On this issue.

Margaret Hodge: On this issue. It is for the London Organising Committee of the Olympic Games and Paralympic Games and the Cultural Olympiad Board to look at the name, and I know that Tony Hall, as chairman of the board, is suggesting a new title.

I also have a lot of sympathy for the view that the benefits of the Cultural Olympiad—as it is known now—should be shared throughout the country. Many of the events to date have been outside London, and we need to do more and more to make sure that they take place throughout Britain.

Broadcasting (Impartiality)

14. **John Robertson** (Glasgow, North-West) (Lab): What recent discussions he has had with broadcast media industry representatives on the impartiality of news and current affairs programmes. [318866]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): Impartiality is an essential element of Britain's broadcasting culture. The suggestion that the requirement for impartiality in broadcasting should be lifted that has been made by the Conservatives and some of their friends in the media would be a regrettable, even dangerous, step.

John Robertson: I thank my right hon. Friend for his answer. I know he agrees that some people in the House would like to get rid of the impartiality rules for everybody except the BBC. Does he agree that that should not happen? The only thing we want in relation to Fox News is for hunting not to be repealed.

Mr. Bradshaw: I think my hon. Friend is absolutely right. When one looks at all the surveys of public attitudes towards broadcasting in this country, one sees that one of the things the public greatly value is the requirement on broadcasters to be impartial. It would be a retrograde step and a dangerous step for democracy, when we look—as my hon. Friend has—at the landscape in the United States under proposals similar to those the Conservatives would like to introduce in the UK. It is bad for democracy, bad for the quality of broadcasting and the public will not like it.

National Lottery Funding (Sport)

15. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): How much national lottery funding has gone to sport since 2005. [318867]

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): Since April 2005, the national lottery has raised £1.1 billion for the sport good cause. In addition, in that period the Big Lottery Fund distributed more than £700 million of lottery money to projects focused exclusively on community sport and physical activity. The Big Lottery Fund has also funded many other community projects that include some element of sport and physical activity.

Mr. Evennett: I thank the Secretary of State for that response. However, is he aware that many people in my constituency feel that the proportion of national lottery money going to sport has been inadequate and that Ministers and the Government have funnelled lottery funding to their pet projects at the expense of sport?

Mr. Bradshaw: I believe that hon. Members on both sides of the House are aware that we have the Olympics games in 2012, so, yes, of course a proportion of the funding that used to go not just to sport but to other good causes has been diverted to the Olympics, but that is absolutely right. We want the Olympics to be a great success, but when they are over in 2012, that funding will return to those original causes. The hon. Gentleman must answer the question about the impact of the Conservative party's policy of withdrawing the funds derived from the Big Lottery Fund and instead going back to the four original pillars, which would hit community, sports and leisure projects in his constituency.

Mr. Peter Bone (Wellingborough) (Con): I do not know whether the Secretary of State wants to come round to this side of the House, because he seems to be asking the questions rather than answering them. Could he answer this one? Representatives of Northamptonshire county cricket club came to see me on Friday. It is one of the less prosperous county cricket teams and its representatives are very concerned about the money that they will lose if Sky loses the right to the exclusive use of cricket on the media. I know that this has been discussed before, but substituting lottery money for Sky money does not work. Does he have an opinion on this? What does he think the balance is on this matter?

Mr. Bradshaw: The hon. Gentleman accuses me of asking the Conservative party questions, but, a few weeks before a general election, I think that both the House and the public have some entitlement to know what his party stands for. Its policies are totally confused across the entire responsibilities of this Department, just as they are nationally. Not only his leader, but Opposition Front Benchers wibble and wobble all over the place on policy. *[Interruption.]* Exactly as my hon. Friends say, their policy changes every day. I simply say to the hon. Gentleman, who, I know, likes taking orders from Sky and Rupert Murdoch, as does his party, that he should be—

Hon. Members: Withdraw!

Mr. Speaker: Order. May I say very gently to the Secretary of State that I am sure that he will now return to the matter of Government policy?

Mr. Bradshaw: The hon. Gentleman was asking me about listed events and the impact that listing cricket as an event—for example, the test match home series—might have on community cricket. I think that many hon. Members think that the impact of that has been somewhat exaggerated. I simply gently point out to the hon. Gentleman that, just as he has the concern of a certain broadcaster at heart, millions of people in this country value cricket going back on to free-to-air, terrestrial television. We speak for them; the Conservatives speak for vested interests.

Mr. Bone: On a point of order, Mr. Speaker.

Mr. Speaker: No, not now; after questions.

Miss Julie Kirkbride (Bromsgrove) (Con): In the light of the UK's performance at the winter Olympics, does the Secretary of State wish that we had spent more of our money on elite sporting performance in winter Olympic sports?

Mr. Bradshaw: The hon. Lady is rather negative about the UK's performance at the winter Olympics. We actually won our first gold medal in a single event for 30 years—since Robin Cousins—so it was our best performance for several years. But of course, these funding decisions are not taken by Ministers in this Government, although she might like that to be the case under a Conservative Government. We believe in the sports bodies making the decisions about where funding goes. Of course, they will review whether the funding that they put into certain winter Olympic sports represents good value for money, and they will make decisions about future funding based on those talks.

Mike Penning (Hemel Hempstead) (Con): The Secretary of State was alluding to the 2012 Olympics and the legacy that we will receive from it. Will he inform the House exactly how much the games will cost NHS London? I asked the same question of the Secretary of State for Health the other day, and he indicated that it would be £41 million. *[Interruption.]* Will this Secretary of State give us the documents, so that we know how much the Olympics will cost NHS London?

Mr. Bradshaw: I am afraid that, because of all the noise, I did not hear the specific question, but if the hon. Gentleman will write to me, I will happily write a reply to him.

Mr. Speaker: Order. A little excitement is a good thing; too much excitement is a bad thing. I appeal to hon. Members to be conscious of the way in which we are viewed by people outside the House who regard a lot of raucous noise as pretty undesirable.

Topical Questions

T1. [318868] **Hugh Bayley** (City of York) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw): My Department is responsible for a wide range of policies that support the arts, culture and sport, which are all essential to our nation's sense of well-being and identity, as well as making an invaluable contribution to the British economy.

Hugh Bayley: My right hon. Friend was in York last month, and perhaps he knows that, at the British Museum at the moment, there is an exhibition of some of the greatest treasures from Yorkshire, including the Middleham jewel, the Coppergate helmet and the Ormside bowl. Will the Minister encourage members of the public, particularly Londoners, to go to the British Museum to see what makes York so special, perhaps as a taster to encourage them to go north in the summer and visit the real thing in Yorkshire?

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): I am delighted that the temporary closure of the Yorkshire museum has made it possible for those jewels in our crown to be exhibited in a room in the British Museum. I encourage everybody to go and see them. The partnership between national and regional museums is hugely important in ensuring that all the country's wealth of artefacts are enjoyed by many more people. It is this Government who, through a renaissance in the regions, have made that partnership possible. That is why it is enormously important that we continue to fund that programme.

Mark Pritchard (The Wrekin) (Con): Although I am sure the whole House would want to congratulate Amy Williams on winning her gold medal at the winter Olympics, does the Minister believe that the British taxpayer got value for money from those games?

Mr. Bradshaw: That sounds like a suggestion that we should not invest in sport. It is not just about the number of medals that people win in competitions, though I repeat what I said to the hon. Member for Bromsgrove (Miss Kirkbride)—that this was the best performance by a British team for many, many years. It is also about all the training, and all the investment that goes into improving people's lives and giving them the opportunity to train for those events. Winning medals is great, but the investment that we put into sport in this country is about far more than just winning medals.

T3. [318870] **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): What assessment has my right hon. Friend made of next generation digital access, particularly in a region such as the south-west, which is largely rural? How will he stop people in the south-west becoming second-class consumers, citizens and patients?

Mr. Bradshaw: My hon. Friend raises an important point, particularly for regions such as ours in the south-west, which are largely rural and bits of which are very sparsely populated—that is, that the free market will not deliver high-quality next generation broadband to all those areas. Everybody accepts that, except the Conservative Opposition. That is why we are proposing a very small levy on fixed phone lines—smaller than the amount by which the cost of those lines has decreased in recent years—to help ensure that no one is left out of the digital revolution, and that individuals and businesses in Devon and elsewhere in similar regions can continue to flourish.

T4. [318871] **Mr. Philip Hollobone** (Kettering) (Con): According to the Department's website, three quarters of children aged between eight and 15 have a television in their bedrooms. Given the dubious effects of television at best on the development of young minds, their attention spans and school attendance, does the Secretary of State think that is a good thing or a bad thing?

Margaret Hodge: On the whole, the facilities that are enabled by new communication and better communication can have a beneficial impact on children, their educational attainment and their knowledge of the world, but that has to be controlled by parents, in the first instance. Parents play the most important role. If they allow children to have televisions in their own room, I hope they do something to ensure that children do not spend all their time watching television or playing games.

Andrew Miller (Ellesmere Port and Neston) (Lab): Will my right hon. Friend use his influence to do whatever is possible to support the supporters of clubs such as Chester and Portsmouth, who have been so badly let down by financial backers?

Mr. Bradshaw: Yes. My hon. Friend raises an important point. There remain some tough questions for the football authorities to address, following the events at Portsmouth and elsewhere—issues of debt and takeovers, and the need to strengthen the financial governance of football. I commend to my hon. Friend the model that my own football club in Exeter uses, which is that of a supporters trust. The club is owned by the fans, and it has no insolvency or debt problems because it does not have any debt. It is democratic, it is a co-operative, and it is a great model of labourism. That is the sort of model that I would like to see spread throughout the game.

T5. [318873] **Miss Anne McIntosh** (Vale of York) (Con): Will the Secretary of State accept that he is plain wrong about the speed of broadband being rolled out to areas in north Yorkshire? The speed is nothing like he claims. Why are we being treated so unfairly and so uncompetitively within the digital broadband economy, compared with the rest of the United Kingdom?

Mr. Bradshaw: Forgive me. I was not making claims about current speeds. I was talking about the future in answer to a question about the future. The point that I made was that there is nobody in the industry or the country except the hon. Lady's party who does not believe that there must be some intervention to ensure that constituents exactly like hers get the benefits that those living in urban areas get. We are proposing a solution to deliver high-quality fast broadband to her constituency. Her party will not intervene in the market to deliver that. It will leave 30 to 40 per cent. of her householders and her businesses without broadband, and her constituents need to be aware of that.

Mr. Tom Watson (West Bromwich, East) (Lab): Are leaked proposals to close BBC Radio 6 Music and the Asian Network a betrayal of the Reithian principles to support diverse culture creation, or the BBC capitulating to the culture bully boys on the Conservative Front Bench?

Mr. Bradshaw: It is rather difficult to know, because one day last week the Opposition broadcast spokesman, the hon. Member for Wantage (Mr. Vaizey), said that he supported the BBC's proposal to close 6 Music and then, two days later, when he was inundated with angry e-mails, he did another U-turn—the third in one week. My hon. Friend makes a very early representation to the consultation that the BBC Trust will have to conduct when it finally comes up with proposals. I would rather comment on those proposals than give a running commentary on leaks.

T6. [318875] **Paul Rowen** (Rochdale) (LD): With one premiership football club in administration and several others in hundreds of millions of pounds of debt, what steps will the Secretary of State take to ensure that there is financial probity in football?

Mr. Bradshaw: Without repeating too much of what I said in answer to my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller), I simply point out to the footballing authorities, which often look to Government to help them resist some of the more draconian proposed regulation from the European Union, that if they want our help on such proposals, they must get their own house in order. We still await the full implementation of the Burns recommendations. Some have been implemented, and we welcome that, but the football authorities need to get a move on. What has happened at Portsmouth should act as a real wake-up call for them to do so.

Mr. John Grogan (Selby) (Lab): Further to the question from my hon. Friend the Member for West Bromwich, East (Mr. Watson), and given that a BBC press release on 15 February said that BBC Radio 6 Music was a distinctive service that did a great deal to fulfil the BBC's public purposes, should not the argument behind any proposal to close 6 Music be examined very carefully, indeed?

Mr. Bradshaw: Yes, of course. *[Interruption.]* No, the question was: should the consultation be very carefully considered? Unlike the hon. Member for Wantage (Mr. Vaizey), I do not give a running commentary on how the BBC should run its affairs. I have said that this is a matter for the BBC; there has been a leak; and we should wait for the full report. There will then have to be a full consultation on that—*[Interruption.]*

Mr. Speaker: Order. I am sorry to interrupt the Secretary of State. The hon. Member for Wantage (Mr. Vaizey) should not witter away from a sedentary

position in evident disapproval of the stance taken by occupants of the Treasury Bench. The hon. Gentleman can speak from the Dispatch Box, but he should not speak from his seat.

Mr. Bradshaw: Thank you, Mr. Speaker. If the hon. Gentleman has anything useful to say he can get up on his feet and say it. My hon. Friend the Member for Selby (Mr. Grogan) is absolutely right: there must be proper consultation on any proposal that the BBC makes. Of course people will have strong views—there will be those who feel very strongly in favour of that proposal or very strongly in favour of another. I am sure that my hon. Friend, who always shows a very strong interest and has great expertise in the matter, will be central to that consultation.

T7. [318876] **John Hemming** (Birmingham, Yardley) (LD): Given the talk today of major cuts in local government funding, what action will the Government take to protect the crucial library service?

Margaret Hodge: Shortly we will publish our document on the review of, and way forward for, the library service. At the end of the day, local authorities have to take their own decisions on funding priorities, but they have a statutory duty to provide a comprehensive and efficient service, and it is up to the Secretary of State to ensure that they do so.

Mr. Lindsay Hoyle (Chorley) (Lab): Will my colleagues on the Front Bench reaffirm to the good people of Chorley that there will be free swimming lessons for young people and pensioners in the next financial year?

Mr. Bradshaw: Yes, and it is very much to be deprecated that, almost exclusively, those local authorities that do not offer free swimming to young people and pensioners are Conservative-controlled.

T8. [318877] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What steps are being taken to encourage community sports clubs to work more with local schools in order to increase the opportunity for young people to participate more in competitive sport?

Mr. Bradshaw: If the hon. Gentleman has not yet visited his local school sports partnership, I suggest that he does so. I am sure that he will be able to discover for himself the amazing work done locally in his constituency between groups of schools and sports clubs and sports organisations to give young people the opportunity to do two hours of quality sport and physical education a week. More than half do three hours of sport a week, but the target is five, and that includes competitive sport. There are more than 3,700 new coaches in schools—new competitive managers, as they are called—specifically to deliver the competitive sport that I am sure the hon. Gentleman wants to see take place. We certainly do.

Rob Marris (Wolverhampton, South-West) (Lab): Even bearing in mind that Birmingham is the capital of the west midlands region, the city receives far too much Arts Council funding per capita when compared with other towns and cities such as Wolverhampton. What measures can the Minister take to address this outrageous imbalance?

Margaret Hodge: Birmingham's rich cultural infrastructure is of benefit not only to the residents of Birmingham but to residents of the surrounding area. I was delighted that last week Birmingham succeeded in reaching the shortlist for the UK's first city of culture in 2013, and I wish it well in taking that bid forward to the next stage. Of course, we want to see arts and culture spread throughout the country in the best way possible, but this is a matter for the Arts Council. Politicians should not intervene in the distribution of resources to arts and cultural projects—that would be an extremely dangerous road to go down. It is for the Arts Council to decide where it should best place its money.

OLYMPICS

The Minister for the Olympics was asked—

Olympic Legacy (North-West)

1. **Andrew Miller** (Ellesmere Port and Neston) (Lab): What legacy is expected for the north-west from the London 2012 Olympics. [318878]

The Minister for the Olympics (Tessa Jowell): The north-west, as with every region in the UK, will gain from sporting, economic and cultural opportunities created by the London 2012 games. Even two and a half years away, 44 north-west businesses have won Olympic contracts—for example, the steel for the Olympic stadium taking shape in the Olympic park is supplied by a Bolton company. There are 45 games-inspired cultural projects across the north-west. There are 65 Olympic and 25 Paralympic pre-games training camps in the north-west, with Thailand, Oceania and the Australian Olympic team already committed to basing themselves there. As my hon. Friend will know, the north-west will also host the Olympic football at Old Trafford.

Andrew Miller: I thank my right hon. Friend for that answer. She is aware of the partnership in my area that could lead to a sports village at the Cheshire Oaks complex. May I put on record my thanks to Dame Tanni Grey-Thompson for her magnificent support for that project? Will my right hon. Friend come up and visit that project to see what she could do to help this development for people in my constituency?

Tessa Jowell: I commend my hon. Friend for the energy that he has put into supporting the development of the Cheshire Oaks sports village; and yes, I would be absolutely delighted to come and see this exemplary new sporting project in his constituency.

Vancouver Winter Olympics

2. **Mr. Anthony Steen** (Totnes) (Con): What assessment she has made of the lessons to be learned from the Vancouver 2010 winter Olympics for the London 2012 Olympics. [318879]

Tessa Jowell: Once again, the whole House will want to congratulate Amy Williams on her gold medal in the skeleton bob. The celebrations continue in Cambridge and in Bath, where she trained.

While in Vancouver, I had a full programme of meetings, and I am happy to place a list of these in the Libraries of both Houses. The value of those meetings is that they provided real-time opportunity to discuss a number of issues related to city operation of the games and security. I know that the hon. Gentleman will be particularly interested in the time that I spent considering the risk of an increase in human trafficking associated with the Olympic games, and I worked closely with the security services and police officials at federal, district and city level on that. I have met representatives of non-governmental organisations in Vancouver and here, since I returned. We will in due course publish a proper debrief on the Olympic and the Paralympic games.

Mr. Steen: Given that all major sporting events attract an increase in criminal activity, and in view of the fact that the Metropolitan police have said that there are already new indications that criminal activity in east London is increasing, two years before the Olympics, will the Minister consider a major poster campaign on all London buses, on the underground and on sites, to highlight the fact that Britain is no longer a welcome place for human trafficking and to ensure that human traffickers realise that they are no longer welcome in Britain?

Tessa Jowell *rose—*

Mr. Speaker: Order. We do need briefer questions and pithy answers.

Tessa Jowell: The hon. Gentleman is absolutely correct in his last point, and the focus of all the meetings, visits and engagement that I have had on the issue has been that we want to send a signal to traffickers and criminals from around the world that London will not welcome them in the run-up to the 2012 games. The hon. Gentleman should reflect, as I know he does, on the complexity of the matter. No simple conclusions should be drawn, and we are ensuring that we mitigate the risks.

Tom Brake (Carshalton and Wallington) (LD): Cheap ticket prices were fundamental to the success of Vancouver, allowing real sports fans to attend and witness the superb success of Amy Williams from Bath. Some 50,000 free tickets were issued, and 100,000 were issued at less than £16. Equivalent figures in London would be 300,000 free tickets and 600,000 below £16. How many cheap and free tickets does the Minister expect to be issued for London 2012?

Tessa Jowell: The hon. Gentleman knows that I am enormously concerned about ensuring that families with children from right around the country can afford to come to the games, and that tickets are affordable for Londoners. The pricing of tickets is, however, a matter for the London Organising Committee of the Olympic Games and Paralympic Games, which will make announcements about it later this year. I am quite sure that it will listen to the messages that are coming loud and clear from the House about the importance of affordability.

Hugh Robertson (Faversham and Mid-Kent) (Con): May I add my congratulations to Amy Williams on her gold medal? That is a fantastic way to end Olympic questions for this Parliament. However, her achievement should not disguise the fact that we under-shot the Government's UK Sport medal target of three; that Snowsport GB, the governing body responsible for snow sports, went into receivership on the eve of the games; and that at a time when we have successfully raised more than £600 million of sponsorship for London 2012, despite the £6 million of lottery and Exchequer funding that has gone into winter sports we have not attracted a major sponsor into that area. As we move forward to the Sochi Olympics—

Mr. Speaker: Order. May I just gently say to the hon. Gentleman that there are other questioners on the Order Paper? I hope that he will bring himself to a question very quickly.

Hugh Robertson: I was actually just going to finish by asking whether, given all those factors, the Minister now feels it is time for a fundamental review of where we are going with winter sports before Sochi.

Tessa Jowell: I do not want anything to detract from Amy Williams's gold medal or the significant number of top 10 finishes that our athletes had, and nobody in the House should talk down the efforts of team GB, every single member of which deserves our congratulation. It is worth noting that investment in winter sport doubled between Salt Lake City and Vancouver, from £3 million to £6 million for the same number of athletes. I am quite sure that UK Sport, as the responsible body, will want to review progress and the funding strategy.

Olympic Legacy

3. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What recent progress has been made in the development of legacy plans for the London 2012 Olympics. [318880]

Tessa Jowell: London 2012 will be the first legacy Olympics. We made two pledges when we won the games in Singapore: to transform a generation of young people through sport, and to regenerate east London. On sport, 10 years of investment will mean that by 2012, 60 per cent. of young people will spend five hours a week on sport and competing, up from 23 per cent. doing two hours of sport a week in state schools in 2002. The regeneration of east London is there for all to see, so those are two legacy promises made and two legacy promises delivered.

Mr. Evennett: I thank the Minister for her response. In my borough of Bexley, we are all passionate supporters of the London Olympics. Regrettably, however, no Olympic events are to be held in my borough. What does the Minister see as the lasting legacy for outer-London boroughs such as Bexley?

Tessa Jowell: Well, I think outer-London boroughs such as Bexley could start by taking up free swimming for children under 16 and people over 60.

Apprenticeships (Olympic Park Site)

4. **Mr. Tom Clarke** (Coatbridge, Chryston and Bellshill) (Lab): How many apprenticeships are available at the Olympic park site. [318881]

Tessa Jowell: Some 350 apprenticeship places will be created on the Olympic park and village by 2012—3 per cent. of the work force, and more than three times the industry norm for the south-east. The latest figures show that there were 150 apprentices on site in December 2009, 56 of whom were from the host boroughs. The Olympic Delivery Authority and its partners are on track to increase that number to 180 apprentices in 2010.

Mr. Clarke: Would my right hon. Friend care to relate those figures to what she said about the norm for British industry, and will she tell us how they impact on the five host boroughs?

Tessa Jowell: Those apprenticeship places are a very important part of contributing to the skills legacy for the Olympic park—the 350 places will represent 3 per cent. of the work force at its peak, as I indicated. We also welcome the fact that the construction skills academy, which is now relocated at Beckton, will continue after the games, providing a young, skilled work force, including increasing numbers of women, to the construction industry in London and beyond, which is important once the Olympics are completed and as we move towards the construction of Crossrail.

Vancouver Winter Olympics

5. **Mr. Philip Hollobone** (Kettering) (Con): What assessment she has made of the lessons to be learned from the Vancouver 2010 winter Olympics for the London 2012 Olympics. [318883]

Tessa Jowell: I hope I have dealt with the question of the lessons learned from the Vancouver Olympics, both on construction and legacy. As I indicated earlier, a full report will be prepared in due course.

Mr. Hollobone: One success of the Vancouver games appears to have been the provision of large screens in public parks, whereby very large numbers of people could watch the activities taking place on the slopes. What lessons will the Government draw from that successful experience for London 2012?

Tessa Jowell: The lessons will be to have—right across the country—large screens, live sites, volunteers, and activity locally through the Cultural Olympiad, sporting events and so forth, so that there really is a sense of Olympic celebration right across the UK, and so that people are able, wherever they live, to have first-hand experience of the games.

Points of Order

3.32 pm

Mr. Peter Bone (Wellingborough) (Con): On a point of order, Mr. Speaker. During Question Time the Secretary of State for Culture, Media and Sport made an accusation that I took orders from Sky and Murdoch. That is a most extraordinary accusation. I have been in Parliament for five years, and I have never taken orders from anybody. I would have hoped that the Secretary of State would apologise, but he did not take the opportunity to do so. Can you suggest how I pursue an apology, Mr. Speaker?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. He has placed his views and concerns very firmly on the record, and I listened carefully to what was said. Although I was mindful of our prohibition on imputing false motives, I think that in this case it was a matter of taste rather than of order.

The Secretary of State is here. If he wishes to respond—*[Interruption.]* Order. If the right hon. Gentleman wishes to respond, he is free to do so—*[Interruption]*—but he is under no obligation to do so.

The Secretary of State for Culture, Media and Sport (Mr. Ben Bradshaw) *indicated dissent.*

Mr. Speaker: The Secretary of State does not wish to apologise. So be it. *[Interruption.]* Order. The House is getting a little over-excited. The hon. Member for The Wrekin (Mark Pritchard) is getting very worked up, and I am quite worried about him. I do not want his health to suffer by him getting overly worked-up—that would be bad for The Wrekin, bad for the House and bad for the nation. We do not want that to happen, so we will move on to the next point of order, which comes from Dr. Spink.

Bob Spink (Castle Point) (Ind): On a point of order, Mr. Speaker. Many hon. Members will have to fight an election soon in which tainted Ashcroft money has been used, perhaps unfairly, to buy votes against them. Are you aware of any opportunity for the House to debate that very worrying matter, which hits at the very heart of our democracy and the concept of fair play?

Mr. Speaker: The hon. Gentleman is an experienced Member of the House, and he knows that the scheduling of business, the timetabling of debate and the question of which debates take place are not matters for me. He is a perspicacious fellow, and he knows that he can of course raise the matter at business questions if he wishes to do so. As for the issue being debated, although what we have just heard certainly did not represent a full-scale debate, the hon. Gentleman has left his constituents in no doubt about his views on this important matter.

Mr. Christopher Chope (Christchurch) (Con): On a point of order, Mr. Speaker. Last Tuesday you made an important statement about new rules for petitions, beginning today. I will have the honour later this evening to present the first such petition, organised by Cassian Horowitz on behalf of hundreds of staff against the closure of Bellamy's bar. In your statement, you said:

"The right to petition Parliament is one of our oldest and most cherished…traditions. The changes…will refresh and improve an important democratic mechanism."—[*Official Report*, 23 February 2010; Vol. 506, c. 163.]

It has been drawn to my attention, however, that the departmental Communications Officer of the Department of Facilities sent an e-mail to staff on Friday saying that they should express their views through their line manager—and, by implication, not sign the petition. Please, Mr. Speaker, will you confirm that the democratic right to petition Parliament extends to all the staff working in Parliament, and that they are free to sign the petition without fear of victimisation?

Mr. Speaker: This is not a proper matter to be aired extensively on the Floor of the House. I will make inquiries, but what I will say to the hon. Gentleman—I do not think that he has ever accused me of ducking a matter, and I do not wish to give him the opportunity to do so on this occasion—is that he has made his point extremely forcefully—*[Interruption.]* Order. I stand by what I said about the right to petition. I will look further into this matter and the very particular charge—or criticism—that he makes, but it is perfectly proper that he should air his concern. Now is not the time for a general debate about it on the Floor of the House.

Robert Key (Salisbury) (Con): Further to that point of order, Mr. Speaker. May I remind you that the very first recorded petition to Parliament came from my constituency? It was dropped from a horse and found on Salisbury plain. It was eventually brought to the House of Commons, where it was considered by the House—and burnt.

Mr. Speaker: I am very grateful to the hon. Gentleman, who is in his 27th year as a Member of the House. He will therefore know that what he has just said is most certainly not a point of order, but it would be widely regarded as a point of enlightenment, and we are grateful to him.

BILLS PRESENTED

Bilingual Juries (Wales)

Presentation (Standing Order No. 57)

Hywel Williams presented a Bill to amend section 10 of the Juries Act 1974 to provide that in certain cases all members of a jury be bilingual in Welsh and English; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 23 April, and to be printed (Bill 75).

Registration of Births and Deaths (Welsh Language)

Presentation (Standing Order No. 57)

Hywel Williams presented a Bill to make provision about the registration of births and deaths where particulars are given in Welsh and English; to permit certificates of particulars of entries of registers of births and deaths to be in Welsh or English only in such circumstances; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 23 April, and to be printed (Bill 76).

Prosecution of Offences Act 1985 (Amendment)

Presentation (Standing Order No. 57)

Mr. Andrew Dismore presented a Bill to amend the Prosecution of Offences Act 1985; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 5 March, and to be printed (Bill 77).

Opposition Day

[4TH ALLOTTED DAY—FIRST PART]

Defence

Mr. Speaker: I advise the House that I have selected the amendment in the name of the Prime Minister.

3.38 pm

Dr. Liam Fox (Woodspring) (Con): I beg to move,

That this House expresses its continued support for HM armed forces personnel and their families; notes that over 440 service personnel have been killed on operations in Iraq and Afghanistan since 2001; further notes that the armed forces have operated over the original planning assumptions for years; regrets that there has not been a Strategic Defence Review (SDR) since 1998; believes that the 1998 SDR was never fully funded and failed to provide proper equipment for the Iraq war; recognises that the Government failed to plan for post-conflict reconstruction in Iraq; further recognises the cut to the helicopter budget by £1.4 billion in 2004; is concerned about the cuts to the frigate and destroyer fleet from the 32 recommended in the 1998 SDR 23; is further concerned by the failure to provide the Royal Air Force with a modern troop transport and air-to-air refuelling fleet; believes that the Government has presided over a failed procurement process; further believes that the Government has failed properly to fund the armed forces for wartime operations; and calls on the Government to acknowledge its failure to honour the Military Covenant.

At the beginning of this debate, our thoughts and prayers are very much with the families and friends of Sergeant Paul Fox, Rifleman Martin Kinggett and Senior Aircraftman Luke Southgate, who have all given their lives in the service of their country in the past week. The sadness that we share with their families is mixed—correctly—with pride in their courage and devotion to their country.

With the 1998 strategic defence review, new Labour got off to a relatively good start with the armed forces. The 1998 SDR was a well-respected document. Moreover, it used a foreign policy baseline, not a Treasury baseline, as many of its predecessors had done. That was, and is, the right way of conducting such a review. However, the failure to have a review for more than 12 years means that our armed forces—as well as Government across Whitehall, for that matter—have failed fully to adapt to the increasingly changing global security situation.

The events of 9/11 fundamentally changed the international security environment, while the aftermath of Iraq made the planning assumptions of the SDR largely obsolete. Looking back, we can also see that the review's ambitions were never fully matched with funding. That has meant that for 12 years our armed forces have been operating well beyond what they were resourced to do. The truth is that the current Prime Minister as Chancellor was never willing fully to fund Tony Blair's wars, and that same sad story has been retold time and time again during the Chilcot inquiry.

As the right hon. Member for Ashfield (Mr. Hoon) stated in his evidence, within the Ministry of Defence

"there was quite a strong feeling"

that the 1998 strategic defence review

"was not fully funded,"

and that

"in the subsequent CSR programmes we asked for significantly more money than we eventually received".

Sir Kevin Tebbit said that as permanent secretary he had to operate a permanent crisis budget. Former Chief of the Defence Staff Lord Walker said that the SDR was underfunded by well into £1 billion.

In one of his many moving farewell speeches, in one of the final pieces of spin of his premiership, Tony Blair said that defence spending had remained broadly stable, at 2.5 per cent. of GDP, if we take into account Iraq and Afghanistan. In other words, much of the burden of the cost of Iraq and Afghanistan was being carried by the core defence budget. The truth is that the Ministry of Defence was effectively fighting two wars on a peacetime budget.

The Treasury's unwillingness fully to fund the MOD's 1998 SDR meant that there were big losers across defence and a degradation of our capability. Let us look just at the Royal Navy. Time and time again since the 1998 SDR, the Navy has been blackmailed into accepting cuts to its fleet, to ensure the eventual addition of two new carriers. During the 1998 SDR process, the Navy agreed to cut its fleet of 12 attack submarines to 10, and its fleet of 35 destroyers and frigates to 32, in return for the promise of the two carriers. A decade later we find our Navy with only eight attack submarines, with a possible future reduction to only six or seven, and 22—an astonishingly low number—of destroyers and frigates. Maritime commitments have not decreased since 1998 but have risen, at a time when our Navy has been slashed, mothballed and, in some cases, sold off. There is a similar pattern to be found across all three services, including the reserves.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Will the hon. Gentleman give way?

Dr. Fox: I will in a moment.

The Government's failure fully to fund their SDR is only one item in a long litany of failures. The true story behind the invasion of Iraq is now being told. I am sure that the whole country is looking forward to the Prime Minister's evidence this Friday, but what we already know is quite shocking. Not only did the Government fail to plan properly for the post-conflict period in Iraq, but it is now well known that what most of us suspected all along is true: that troops were sent into Iraq without proper equipment. We now know that during the early planning phases of the Iraq war, the then Chief of the Defence Staff, Lord Boyce, was blocked by the then Defence Secretary from organising crucial logistics, in case it sent the wrong political message: that we were preparing for war. In the words of Lord Boyce,

"I was not allowed to speak, for example, to the Chief of Defence Logistics—I was prevented from doing that by the Secretary of State for Defence, because of the concern about it becoming public knowledge that we were planning for a military contribution which might…be…unhelpful in the activity…in the United Nations to secure"

a Security Council resolution.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I understand that Opposition parties have to try to point out shortcomings, but does the hon. Gentleman accept that defence, like other public expenditure, is a matter of choice, that as the world changes the choices have to change, and that if we want to spend more on things such as unmanned aerial vehicles and intelligence, we have to think about what we are going to spend less on?

Dr. Fox: That is a statement of the obvious. I will come in a moment to the economic backdrop against which future decisions will have to be made.

The point that I am making is that we now know that troops were sent into harm's way in Iraq without the proper equipment for political reasons. Sending troops into harm's way without the proper kit for domestic reasons is a serious breach of the military covenant.

Mr. Davidson: May I go back to the point that the hon. Gentleman was making when I sought to intervene on him? He was speaking movingly about the shortfalls affecting the Navy. Is it true that the first act of a Conservative Government would be, as he said to the convenors of the shipyard unions only last week, to examine the break clauses in the aircraft carrier contract?

Dr. Fox: It would be the act of any sensible incoming Government to look at the unavoidable costs in any project that the previous Government had committed them to—[Hon. Members: "Ah!"] That is a sensible thing to do. If we are going to go ahead with some of the essential projects required for the country's military and diplomatic prowess, we will need to be able to look at what the costs are going to be across all Government programmes. That is exactly the point that the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) made a moment ago.

One would have thought that the Government had learned enough, following their failures in Iraq, to ensure that we were prepared for our mission in Afghanistan, but again they failed to understand the situation and sent our forces into a hornets' nest, without the proper resources to carry out what they were being asked to do. An Army board of inquiry into the death of Captain James Phillipson in 2006 found that there had been delays in the delivery of basic equipment, partly because

> "The MOD and the Treasury were unwilling to commit funds to urgent operational requirements enhancements prior to any formal political announcement."

The Government were sleepwalking into the early stages of our engagement in Helmand province by sending only an initial 3,500 troops. The brigade commander in 2006, Brigadier Ed Butler, has made it clear that that number of soldiers was deployed as a result of a "Treasury-imposed cap", and not as part of an objective analysis of the situation on the ground.

The shortage of key equipment in Helmand—especially helicopters, as has been well documented—has in part led to a number of high-profile military resignations, including those of Colonel Stuart Tootal, Brigadier Ed Butler, Major Sebastian Morley and Major-General Andrew Mackay.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): The hon. Gentleman will recall that the mandate to go into Iraq was secured in this House. Prior to that, no activity could take place at ministerial level, or within Government Departments, that would suggest that we were going to go into Iraq, for fear of presuming on the House. He will also know that some 23,000 items were required to be deployed as part of personnel security. Does he not understand that although the intention to deliver is there, it is sometimes not logistically possible to do so?

Dr. Fox: I simply do not accept that point. Sensible contingency planning ought to have been taking place. It was not that the equipment was unavailable or that it could not be ordered; it was specifically not ordered because that would have sent a specific political signal. That is where the moral culpability of the Government lies.

Perhaps the Government's biggest failure in their conduct of defence is their mismanagement of the equipment programme. The defence and security of the country is increasingly being run on a wing and a prayer, and as the money has failed to materialise for the unfunded projects, they have been delayed and delayed, with the taxpayer left to foot the bill and the military left to ponder their absent capabilities. The default position should be that we spend to save, rather than that we delay to spend. Speedy procurement ultimately saves money, but the Government have too often failed to understand that.

Unfortunately, if half of what was reported in the Gray review is true, the next Government will have not only the task of balancing defence priorities between the conflict that we face today and the wars of tomorrow, but the challenge of putting the MOD's finances back on track after a decade of mismanagement and neglect. The Labour Government came to power with a promise to introduce smart procurement, which would deliver equipment faster, better and more cheaply. Nothing could be further from the truth, however.

None of us knows exactly when the election will come; there have been rumours that it could be announced today, but personally I doubt it, because if the Prime Minister were any more of a serial bottler, he could start a factory. But whenever the election comes, the Government in office after it will find themselves with a military that is overstretched, undermanned and in possession of worn-out equipment.

We know that the equipment programme is underfunded—by exactly how much is anybody's guess, but most estimates put it at billions of pounds. Bernard Gray, the Government's own analyst, placed the figure at £16 billion over the next 10 years, which equates to an unfunded liability of some £4.4 million a day. The plunging value of the pound, which we have seen again today, has left an estimated £1.3 billion black hole in Britain's defence budget.

According to the most recent figures available from the National Audit Office, the top 15 major procurement projects are £4.5 billion over budget and delayed by a total of 339 months. The A400M aircraft is £657 million over budget and will be delayed by 82 months. The Type 45 destroyer is £1.5 billion over budget and will be delayed by 38 months. The aircraft carriers are more than £1 billion over budget already, and the service entry date for the first carrier has been delayed from 2012 to 2016. The decision in 2004 to cut the helicopter budget by £1.4 billion—in the middle of two wars—was inexcusable, irresponsible and irreconcilable with the basic duty to maximise the safety of our troops while carrying out a dangerous mission. In the words of the former Defence Secretary, the right hon. Member for Ashfield, to the Chilcot inquiry,

> "had that budget been spent in the way that we thought we should spend it, then those helicopters would probably be coming into service any time now."

Due to this failed procurement programme, billions of pounds have been needlessly wasted—money that could have gone into equipping our front-line troops.

The Ministry of Defence's record of waste is staggering, as £2.5 billion has been spent on external consultants, but it could not find £20 million to train the Territorial Army. Furthermore, £2.3 billion was spent refurbishing the MOD, but it could not find £4 million for officer training corps training.

A further £6.6 billion was wasted on account of lost equipment, including among other things 3,938 Bowman radios and an untold number of laptops. Another £113 million was wasted on a super hangar for fast jet repair that was never used, while £118 million was wasted on armoured vehicle cancellations, £8 million was lost on cancelled training courses and almost £250,000 lost on works of art to hang on the walls of main building. How can all that be allowed to happen? It is a picture of serial incompetence and a lack of grip by Ministers on the Department.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Will the hon. Gentleman tell the House what the cumulative efficiency savings have been in each of the comprehensive spending review periods from 2001 onwards?

Dr. Fox: No, I do not have those figures, but I look forward to being enlightened about them when the hon. Lady speaks.

New Labour's deluded belief that we can all live beyond our means indefinitely has produced an economic train crash whose effects will be felt for a generation. The enduring legacy of new Labour's brand of socialism has been to saddle us with "cradle to grave" debt. When the Government leave office, they will not only have failed in their duty to support our armed forces properly in conflict, but the economic calamity they leave in their wake will make the task of rebuilding our security in a dangerous world all the more difficult.

Put simply, Mr. Speaker, it cannot go on like this. Our armed forces cannot take another five years of Labour. The damage this Government have done to our armed forces will take years to put right, and will limit our ability to react to the unexpected for years to come. It should come as no surprise that the Government's decade of neglect simply reflects the way in which their leadership view defence. We have had individual Defence Secretaries, including the current one, who have been both competent and committed to the armed forces, but we have had four Defence Secretaries in four years, one of whom was part-time, even though we were heavily engaged in combat operations in Iraq and Afghanistan.

Besides using the armed forces as props in a photo shoot, the Prime Minister himself has never shown much interest in the armed forces. The former Chief of the Defence Staff, Lord Guthrie, described the Prime Minister as

"the most unsympathetic Chancellor of the Exchequer, as far as defence was concerned".

We now know that in 2004 the service chiefs came close to resigning en masse.

The Prime Minister's instinctive lack of interest in the armed forces has been compounded by incompetent procurement and failure fully to fund the conflicts in Iraq and Afghanistan. Inevitably, that has resulted in a weakening of the military covenant, with many in the armed forces feeling undervalued. Perhaps we should have known that when, back in 2000, Lord Mandelson described the Brigade of Guards as

"a lot of chinless wonders marching round Horseguards Parade doing incomprehensible things with flags".

Since 2001, 63 members of the Household Division have given their lives in Iraq and Afghanistan. That senior members of the Government should even think like Lord Mandelson is chilling, and I doubt that any member of the Government Front Bench could defend those views today.

Our armed forces are, in the words of the Leader of the Opposition, "the best of British". That is why the words of the Chief of the General Staff in his recent memorandum echo so resonantly:

"my greatest concern...is the deteriorating experience of soldiers and their families in the period between tours which, the team reports, is disaffecting attitudes, damaging morale and risks undermining our ability to sustain the campaign over the next years. We need our soldiers to be ready, mentally and physically, to endure repeated tours in Afghanistan in a harsh environment, with the real prospect of significant casualties each time. To maintain the necessary morale and cohesion they must see tangible signs between tours that they and their families are valued."

That is it: our armed forces need to be valued.

Labour has had 13 years, and in that time has failed to understand the value, the essence and the importance of the military covenant. It is a dangerous world, and this Government are tired. The Ministry of Defence and our armed forces need a new vision and a new life, which only a new Government will have the energy to provide.

3.56 pm

The Secretary of State for Defence (Mr. Bob Ainsworth): I beg to move an amendment, to leave out from "2001" to end and add:

"pays tribute to their sacrifice; believes that the 1998 Strategic Defence Review (SDR) and the updates that followed the September 2001 attacks on the US have provided a robust policy foundation for the modernisation of Britain's armed forces that has enabled them to take on successfully the many challenges they have faced over the past decade, including the major operations in Iraq and Afghanistan; notes that the Ministry of Defence has brought into service 31 new ships, 63 new multi-role fast jets, six large transport aircraft and 171 new helicopters and provided the Army with a wide range of new equipment it has required to succeed on operations; recognises that the defence budget has grown by more than 10 per cent. in real terms since the SDR and that an additional £14 billion has been provided by the Reserve for operations in Iraq and Afghanistan; and welcomes the steps that have been taken substantially to improve support, medical and welfare services for the armed forces."

I am sure the whole House will wish to join me in paying tribute, as the hon. Member for Woodspring (Dr. Fox) did, to those who have lost their lives in Afghanistan in recent days: Senior Aircraftman Luke Southgate of II Squadron Royal Air Force Regiment, Rifleman Martin Kinggett of 4th Battalion The Rifles, and Sergeant Paul Fox of 28 Engineer Regiment. They and, indeed, all who have lost their lives in operations in the Balkans, Sierra Leone, Iraq, Afghanistan or closer to home in Northern Ireland, deserve the gratitude of the entire nation. Their families and their friends are in

[Mr. Bob Ainsworth]

our thoughts. I have the utmost admiration for the bravery and professionalism, and the selfless commitment to duty, of our armed forces: they show that day in and day out.

I listened closely to the hon. Gentleman. At a time when our armed forces are engaged in dangerous operations that are crucial to this country's national security and international stability more widely, it is important for us to ensure that defence is widely debated. That is why I find it disappointing that the Conservatives want only to look backwards. Perhaps that is because of their lack of clarity on their own policies for the future.

The strategic defence review of 1998, and the updates that followed in 2002 and 2003, modernised our armed forces to enable them to take on successfully the many challenges that they have faced over the last decade. The Conservatives supported every major operation since the strategic defence review, and they were right to do so. I must say to them, however, that it is not possible to will the ends, oppose all the means and try to score political points with the benefit of hindsight without proposing anything different. That is not a responsible approach to opposition.

Let us take Afghanistan. The Conservatives agree with us about the need to be there. They agree with the military and political strategy that the Government are pursuing. They have supported each deployment of further troops. They have supported the increase in funding of equipment and support for personnel in theatre. *[Interruption.]* If the hon. Member for Congleton (Ann Winterton) disagrees, she disagrees with her party's Front-Bench team and not with me. They agree that we can succeed. They agree that we cannot put a limit on how long this will take. Yet the hon. Member for Woodspring tries to score political points about equipment, publicly accusing the Government of betraying our troops without even checking his facts. He claimed that Ridgback armoured vehicles were stranded in Dubai for lack of airlift to take them into theatre when, in reality, those vehicles were being sent to Afghanistan ahead of schedule. False claims do not just damage the Government; they risk damaging the morale of our troops and the public, and they also risk damaging the mission. Let me set the record straight, and I challenge the Conservatives—

Dr. Fox *rose—*

Mr. Ainsworth: I will give way to the hon. Gentleman in a moment. I challenge the Conservatives to say what they would do differently. I will give way to the hon. Gentleman now, if he stands up and tells us what he would do differently. Going forward—not going back—what would he do differently?

Dr. Fox: Any strategic defence review has to be fully funded. Therefore, any SDR that a future Government would decide on would be fully funded; it would be irresponsible not to do that. Can the Secretary of State tell us whether, on the Government record, it is true that the Government cut the helicopter budget by £1.4 billion in 2004, in the middle of two wars?

Mr. Ainsworth: I was about to come to the Government's record. It is a record of which the Government can be proud, and the facts are as follows. First, operations are not funded from the core defence budget. By the end of 2008-09, the Treasury reserve contributed more than £14 billion to fund operations in Iraq and Afghanistan. We estimate that a further £4.5 billion will be provided this financial year, and we expect the reserve to contribute some £5 billion to the cost of operations in Afghanistan in the next financial year. More widely, compared with 1997, we now have armed forces that are more capable and better equipped, and successfully working together. To achieve that, we have had to invest more to get more. Since the 1998 defence budget, the budget has grown by more than 10 per cent. in real terms—that is aside from the commitment from the reserve—and there has been the longest period of sustained growth since the 1980s, which is in marked contrast to the situation in the 1990s, when, under a Conservative Government, the defence budget decreased substantially. The defence budget will be some £35.4 billion this financial year, rising to £36.9 billion in 2010-11. We have ring-fenced that increase next year, again in marked contrast to the Conservative party, which has refused to guarantee that the defence budget will be safe from the axe in their proposed autumn Budget.

Dr. Julian Lewis (New Forest, East) (Con) *rose—*

Mr. Ainsworth: I will give way to the hon. Gentleman if he is going to stand up now and tell us whether the defence budget will be safe from the axe in his party's proposed autumn Budget.

Dr. Lewis: It is very kind of the right hon. Gentleman to give way, but when I try to intervene it is because I want to ask him questions, not because I intend to answer any he might wish to put. The question I wish to put to him is this: does he, or does he not, accept that if any money that is forthcoming from a Treasury reserve budget in order to fight wars is added to the core budget, yet the proportion is still only 2.5 per cent. of GDP, it is no good the Secretary of State saying the Government are funding the wars separately if the overall peacetime defence budget as a proportion of GDP is remaining the same? The Secretary of State is giving with one hand and taking away with the other, and he is not fully funding the wars that he undertook.

Mr. Ainsworth: That is not the case, and the hon. Gentleman is aware of his sleight of hand here. We are talking about a period of substantial growth, and the facts are as follows. The defence budget grew by 10 per cent. in real terms additional to the £14 billion from the reserve. He knows those facts to be true, yet he tries to suggest they are not.

Angus Robertson (Moray) (SNP): Given what the Secretary of State has just said, can he explain why, according to the Ministry of Defence's own statistics, there has been a £4.3 billion underspend in Scotland in recent years?

Mr. Ainsworth: May I say to the hon. Gentleman that, much to his annoyance, defence is a UK-wide activity? He would like to stop that arrangement, but I am opposed to its being stopped as I believe in the

United Kingdom, and I see defence as a whole. I know that he would like to do something different and that, under any Scottish nationalist regime, defence would be slashed to the bone, at great cost to the people of Scotland.

We recognise that we also need to continue to improve how we use our resources. We are aiming to deliver efficiency savings of more than £3 billion over the current spending review period and we are also working to ensure that we get the maximum value for the resources that we spend on buying and maintaining equipment. Defence acquisition is a complex and expensive business that all nations find difficult. Despite shortcomings, our acquisition system compares favourably with those of our allies, and we have already made considerable improvements on the system that we inherited in 1997. Nevertheless, significant cost pressures on the defence budget exist, which is why the Government have examined how we can make further improvements to defence acquisition, including through regular defence reviews, improved transparency and indicative 10-year budgets.

We should not forget that over the past 12 years very substantial investment in defence has enabled us to provide the equipment and support required to conduct today's operations overseas and to prepare for the future, and I wish to set that out. For Afghanistan, 1,700 new vehicles have been supplied since 2006; we have doubled the number of helicopters in theatre since November 2006; we have more than doubled the number of helicopter hours available to commanders; more than £100 million has been provided for the Counter-Improvised Explosive Device Task Force; there has been a doubling of the Reaper drone capability; an additional C-17 aircraft has been supplied to strengthen the air bridge and improvements have been made to the Hercules fleet; and 22 new Chinook helicopters are on order, with the first 10 set to arrive during 2012-13.

Mark Pritchard (The Wrekin) (Con) *rose—*

Sir Peter Tapsell (Louth and Horncastle) (Con) *rose—*

Mr. Ainsworth: I shall give way in just a moment. The individual soldier in Afghanistan is better equipped than ever before. Our soldiers are fighting in dangerous circumstances in Helmand with great success, and few other nations can do the same. For defence as a whole, we have made significant strides forward. We have brought into service—

Mark Pritchard *rose—*

Mr. Ainsworth: I hope that the hon. Gentleman would like to hear the list. We have brought into service more than 170 new helicopters, including the hugely impressive Apache attack helicopter; six new giant transport aircraft; 63 multi-role Typhoon aircraft; and 31 new warships. The first of the six new Type 45 destroyers will enter service later this year and will provide a step change in capability.

Several hon. Members *rose—*

Mr. Ainsworth: I will give way in a moment. Looking forward, we have taken steps to maintain the armed forces at the forefront of air power with our commitment to the joint strike fighter. Work on the two new aircraft carriers is proceeding well. I challenge the hon. Member for Woodspring to set out his party's position on the carriers so as to provide clarity—he can do so now if he wishes; let us hear what his party's position is on those. Has the shadow Chancellor prevented him from doing so?

Several hon. Members *rose—*

Mr. Ainsworth: I shall give way to the hon. Member for Louth and Horncastle (Sir Peter Tapsell), as perhaps he can tell us his views on the carriers.

Sir Peter Tapsell: I am intervening on the Afghanistan point that the Secretary of State has just made. Given the enormous commitment of material and money to Afghanistan that he has just outlined, is it not an extraordinary example of the fundamental misjudgment that the Government made on the seriousness of the commitment that they sent in 3,300 troops in 2006 and the Secretary of State of the day stated that he hoped they would get in and out without firing a shot? The Government completely misread the strategic task that they were undertaking.

Mr. Ainsworth: I ask the hon. Gentleman to look at the record, because I was sitting in the House at the time when those comments were made. The then Secretary of State sent 16 Air Assault Brigade south—people do not send 16 Air Assault Brigade south without some serious intent. My right hon. Friend the then Secretary of State knew that southern Helmand was a dangerous area.

Several hon. Members *rose—*

Mr. Ainsworth: I shall give way to the hon. Member for The Wrekin (Mark Pritchard). Perhaps he can enlighten us on the position held by the hon. Member for Woodspring on the two new carriers.

Mark Pritchard: I am grateful to the Secretary of State for giving way. He is a reasonable man. Does he agree with me that it is completely unacceptable when troops are returning from the front line in Afghanistan that they should be delayed unnecessarily, not because of bad weather but because of problems with ageing, old airframes delayed in Cyprus? That time is taken away from time at home with their loved ones. I have had a constituent this week in tears, saying, "I want my husband home and he is delayed in Cyprus." It is not good enough.

Mr. Ainsworth: We have, from time to time, problems with the air bridge. There is no doubt about that. We do everything that we can to minimise those problems and the RAF seeks, all the time, to make the air bridge as robust as possible, but delays are caused and they cause distress. We have invested in new aircraft to try to minimise those delays, such as the new C-17 that I ordered in December, which will give a new added robustness to the air bridge for Afghanistan.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May I take my right hon. Friend back to the question of commitment and remind him that the tooth fairy does

[Jim Sheridan]

not deliver equipment—it has to be manufactured and, we hope, manufactured in this country? As a defence worker during the late '80s and '90s, I well recall the thousands of people who were made redundant by the Conservatives. They cut projects and cut orders and thousands of people lost their jobs. My right hon. Friend would be well advised not to take advice on cuts from the Opposition.

Mr. Ainsworth: I agree with my hon. Friend. That is why I tried to elicit an answer to the question of the carriers, just as an indication of wider issues that there might be—

Dr. Fox *rose—*

Mr. Ainsworth: Aha! It has taken a while, but now there will be a response on the Conservative party's position on the carriers.

Dr. Fox: Patience is its own reward. We have always made very clear our arguments about seaborne air power projection. It would be perfectly reasonable to expect the carrier programme to continue under another Government, unless there were strong reasons in a strategic defence review for it not to do so. It is therefore impossible to exempt any programme. Now that I have clarified our position, will the Secretary of State tell us for the sake of clarity whether the Government will exempt the carrier programme from their-proposed SDR?

Mr. Ainsworth: If that was clarity, it was about as clear as mud. We waited a long time, but clarity came there none.

Mr. Andrew Pelling (Croydon, Central) (Ind): I am sorry to disrupt the dialogue, which should obviously be encouraged—the Secretary of State is taking a justifiably pugnacious approach—but may I ask this question? Obviously, extra equipment improves morale, but could morale also be improved if Ministers attended when fallen heroes return to this country?

Mr. Ainsworth: If the hon. Gentleman means the ceremonies at Wootton Bassett, I have to say to him that I find myself in as difficult a position as anybody. If we attend one, how many do we attend? We are also repeatedly advised, as Ministers, that these are military occasions and that we should confine ourselves to attending proper commemorative occasions when they are called—there have been a few and there should be as many as required—for our services as a whole. I do not see how we can go to one and then not another. I get grief about this all the time—people misunderstand the reasons why we are not constantly at Wootton Bassett watching the coffins return. We simply cannot play politics with a very serious, solemn occasion that is there to provide the families, overwhelmingly, with an opportunity to accept their lost loved one back into their arms.

Dr. Julian Lewis: Will the Secretary of State give way?

Mr. Ainsworth: I would like to make some progress, if

Mr. James Arbuthnot (North-East Hampshire) (Con): Will the Secretary of State give way?

Mr. Ainsworth: I shall have to give way to the right hon. Gentleman.

Mr. Arbuthnot: I am most grateful. I think I must be having a bit of difficulty, because I heard my hon. Friend the Member for Woodspring (Dr. Fox) ask whether the carriers would be exempted from the strategic defence review. The Secretary of State has been demanding clarity from my hon. Friend; I think that it is only fair for him to give the same to us.

Mr. Ainsworth: The right hon. Gentleman will also have heard the hon. Member for Woodspring say that he had provided clarity, but when the right hon. Gentleman looks at the record, he will see that clarity came there none. Instead, there has been a mealy-mouthed response. The Opposition are attempting to look backwards because they are frightened to say what the consequences of their proposals would be, looking forward.

Several hon. Members *rose—*

Mr. Ainsworth: I shall not give way because I would like to make some progress. I shall try to give way a little later.

I want to move on to welfare, because the hon. Member for Woodspring has talked about the military covenant. It is not only in relation to equipment that we have modernised. We have improved defence for our people as well. The service personnel Command Paper of 2008 put in place the first cross-government strategy to support our armed forces with a network of champions across central and local government. We have put in place a tax-free lump sum operational bonus worth £2,360 for those fighting in Afghanistan. We have allocated more free phone calls and internet access and free wi-fi for our troops in Afghanistan. We have doubled the welfare grant for the families of those on operations. We have created top-class medical care in theatre, at Selly Oak and at Headley court. We have provided comprehensive in-service occupational mental health care. We have established a compensation scheme—

Mr. John Baron (Billericay) (Con): Will the Secretary of State give way?

Mr. Ainsworth: Let me complete the list, which is quite extensive.

We have established for the first time, in contrast to what applied when the Conservative party was in power, a compensation scheme that allows injured men and women to receive compensation while they remain in the armed forces. We have doubled the tax-free lump sums for the most serious injuries, and we are committed to increasing all other levels of the award.

We have delivered 38,000 new or improved single living bed spaces, and we have upgraded more than 14,000 family homes, despite having been saddled with the dreadful sale and leaseback agreements that were made by the Conservative party when it was in power.

Alison Seabeck (Plymouth, Devonport) (Lab): Will

Mr. Ainsworth: Let me complete the list.

Basic pay has gone up in line with the recommendations of the independent Armed Forces Pay Review Body, in full and on time, in each of the past 11 years. The largest percentage increases have quite rightly been targeted at the junior ranks. The 2009-10 award means that, for the third year running, the increase for the armed forces will be among the highest in the public sector.

Of course, we have delivered changes not just for serving personnel and their families but for leavers and veterans too. They include grants to adapt housing for disabled veterans; the retention of places on the NHS waiting list when people move between areas; help for spouses to find work when they move; priority places in state boarding schools for forces children; fairer treatment when people apply for social housing; free further or higher education for service leavers; and help with getting on the housing ladder. That is the list of measures that the Government have introduced on the welfare side.

Mr. Baron: All the studies show that veterans are at an increased risk of suicide. What are the Government doing specifically regarding the rising number of those who suffer from post-traumatic stress disorder from Iraq and Afghanistan, given that the Royal British Legion, for example, believes that the Government are not doing enough to reach out to those veterans?

Mr. Ainsworth: Extensive work is being done on mental health issues, some of which will not come to light for many years to come. We are working with the Royal British Legion, and it is not true to say that we are doing anything other than that. We are working with it to try to ensure that proper structures are in place to deal with mental health—to monitor it, to ensure that support is there when the symptoms show themselves and to ensure that compensation is available. If the hon. Gentleman looks at some of the improvements that Lord Boyce has proposed, and that we intend to introduce, to ensure that mental health is covered adequately in the compensation scheme, he will see the commitment that the Government are making.

Alison Seabeck: Does my right hon. Friend share my puzzlement about the position of the Conservatives? The document they have produced does not seem to suggest anything more than what the Government are offering our service personnel.

Mr. Ainsworth: My hon. Friend is absolutely right. The Conservatives accuse us of not honouring the military covenant, but then they produce a document that mimics almost exactly the proposals the Government are already bringing into force. It is a case of saying something without any justification.

Dr. Julian Lewis: Will the Secretary of State give way?

Mr. Pelling: Will the Secretary of State give way?

Mr. Ainsworth: No.

To prepare our forces for the future, I have announced a formal strategic defence review and delivered a Green Paper setting out the emerging thinking on the future security environment and other key issues facing defence ahead of the review. The work set out in the Green Paper is being taken forward by the Ministry of Defence. The Government can be proud of their record. It is misleading and inaccurate to suggest that the defence budget is being cut or that operations are not properly funded from the reserve. The Government have increased defence spending and, in addition, we have paid for operations in Iraq and Afghanistan, yet Opposition Members continue to push those lines because they do not want anyone to focus on what they would do.

Mr. Gerald Howarth (Aldershot) (Con) *rose—*

Mr. Ainsworth: Opposition Members will have all afternoon to answer. Will they take this opportunity to set the record straight? Can they confirm today in the House whether they will maintain, let alone increase, defence spending? George Osborne—*[Interruption.]* The shadow Chancellor has said there will be cuts from day one if the Conservatives win the next election. Would the hon. Member for Woodspring like to take this opportunity to confirm whether he will stick to his pledge of an extra three battalions for the Army? That pledge was made by his party leader as well. Is it a pledge he is sticking to or a pledge that has been quietly dropped? Will he tell the House what his party's position is? Finally, would he like to confirm now whether a Conservative Government would commit to building the new aircraft carriers?

I have listened to the hon. Gentleman and I am thoroughly disappointed by his efforts, belittling the achievements of the past 13 years. His constant undermining of the UK's huge contribution to making the world a safer world is regrettable. Why does he want to run down the UK in that way? Why does he twist the facts and misrepresent the truth, suggesting that our armed forces have inferior equipment—inferior kit—and are not properly supported? Our armed forces are among the most capable in the world. They are the best. They deserve the best and that is what we shall strive to give them in the years ahead.

Dr. Fox: On a point of order, Mr. Speaker. I want to take this opportunity to apologise to the House. I have written to the Secretary of State and to you, Mr. Speaker, to say that unfortunately I may be unable to attend the winding-up speeches, and I would not like the House to think I had intended any discourtesy by not mentioning it to the House.

Mr. Speaker: I am extremely grateful to the hon. Gentleman for his courtesy. He did indeed write to me explaining that he had a commitment elsewhere. What he has just said to the House will, I think, be understood.

4.23 pm

Willie Rennie (Dunfermline and West Fife) (LD): I share in the tributes made on both sides of the House to those who have fallen during the past week. The pain and anxiety felt by their families and friends at this time is unimaginable, and it cannot adequately be addressed by a few words in the Chamber. That is why whenever the House makes a decision on defence matters, it is vital that we remember those who have fallen. That is the ultimate consequence of any decisions we take here.

I, too, want to start on a note of consensus. I agreed with the hon. Member for Woodspring (Dr. Fox) when he said that the strategic defence review should have a

[Willie Rennie]

foreign affairs baseline—as the one held in 1998 did—not a Treasury baseline, that 12 years is too long before repeating the SDR and that the original SDR was not fully funded. I also agreed with the Defence Secretary when he identified that the Conservatives agreed with the Government every inch of the way. They were joined at the hip throughout the past 12 or 13 years. To pretend that things were different is incorrect, because they were together throughout that period. The Government now wish to point out their differences with the Government's record, but it is worth remembering that they were together, joined at the hip, during that time and that we were not. *[Interruption.]* I will return.

The competition among the Labour Government's failures is pretty tough—climate change, the mediocre education system and the huge recession—but defence must be up there as one of the biggest failures; it is the hot favourite to win that competition. That is perhaps why numerous changes in the ministerial team have occurred almost annually. Perhaps that reflects the enormity of their task, as they see it, and the Government's failure to support their team in defence.

Let us take housing as an example—something that the Conservatives, perhaps not surprisingly given the Defence Secretary's comments, failed to mention in the motion. Indeed, the speech made by the hon. Member for Woodspring contained not one word about housing. However, the Government should not be complacent about housing: a third of families moving into service properties complained that their new homes were filthy; two in five of them said that they were unhappy with the general condition of the property; and there were a massive 234,000 repair call-outs for 45,000 properties in the year to November 2009. That works out at five call-outs per property—an enormous number—and reveals the state of the accommodation.

I do not know whether the Defence Secretary has a different definition of the word "urgent", but it took 23 days for the repair to be made after at least one of those call-outs, and it took two months for the repair to be made after a routine call-out. It is no surprise that service families are extremely disappointed with the accommodation that has been provided. Progress has been made—Ministers have pointed out that there have been improvements to the housing stock—but at the current rate, it will take another 20 years before we can get the accommodation up to condition 1. That is simply not good enough.

Meanwhile, we are spending an absolute fortune—£67 million—on substitute family and single accommodation, while other properties remain empty. I appreciate that some of those properties are in different parts of the country, but 8,000 of them are empty at any one time. More than 2,000 of them remain empty for more than a year, while the top brass are living the life of Riley. One property—a mansion—has been rented for £7,000 a month for a general. That costs £84,000 a year, which is enough to pay for five privates. I have asked Defence Ministers a series of questions, and we have found out that about 11 members of the top brass are renting properties at more than £2,000 a month. How can that be justified? Has any action been taken since those figures were made public? Are the removal vans moving in already? Have we got them booked to move those people out? Paying £7,000 a month is an absolute outrage. Some might say that that is a drop in the ocean, but it is significant. If our top brass are behaving in that way, what does it reveal about the rest of the system? Surely, action must be taken.

Before the Tories get too smug about these matters, they must remember the Annington Homes fiasco. The Defence Secretary is absolutely right about the scandalous decision taken back in 1996. Since then, Annington Homes has received about £1.5 billion in rental income from properties. To make matters worse, Annington Homes does not have to foot the bill for the repair of the properties. That amounts to another £300 million for the same period—a total of £1.8 billion directly into the pockets of Annington Homes at the stroke of a Conservative blue pen. That is an outrage. The Conservatives should be embarrassed about it, and perhaps they are. That may be why there is no reference to that matter in the Conservative motion today.

Mr. Brian Jenkins (Tamworth) (Lab): Did the hon. Gentleman take the opportunity, when he was doing his research, to see where the money from the sale of those homes went to? Did it go into the MOD budget, or did it merely go back to the Treasury?

Willie Rennie: The hon. Gentleman probably knows the answer to that question.

Linda Gilroy: Does the hon. Gentleman agree that Annington Homes should put some money back into homes for the military from the profit that it has been making?

Willie Rennie: The hon. Lady makes a sensible point. If the company had a conscience about these matters, it would repay a contribution. The state of some of the accommodation leaves a lot to be desired, and a contribution would be appropriate, as she suggests.

I shall move to a slightly more consensual topic, health, where there have been some improvements. The Selly Oak facility is recognised as first class. Bringing the best of the military together with the best of the NHS means that soldiers who, in the past, would probably have died in the front line on the battlefield now have modern medicine available to them. Despite the pain that the Government went through in making a decision to move to that model of care, it probably is the right one.

Mr. Pelling: May I offer an example of a positive response from the NHS? In my local area, it has been very willing to work with the Royal British Legion on a special centre for those returning with combat stress. Officials at Mayday Healthcare NHS Trust made a great effort to respond quickly and positively to the need.

Willie Rennie: The hon. Gentleman makes a valuable contribution, but I am afraid the response is rather piecemeal across the country. Some work has shown that not all health boards and health authorities are responding in the same way. Among GPs, awareness of veterans care is not as it should be. I shall return to that shortly. However, there have been some examples of good care, as the hon. Gentleman suggests.

Headley Court is another good example of the partnership between charity and the Ministry of Defence in treating those who, I say again, might have passed away on the front line in the past. Miracles have been performed at Headley Court with some of those people. When I visited, I was extremely impressed by the work that has been done. The ethos is to get people not just back to good health, but in some cases back to work. That employment discipline at the facility is first class.

Mark Pritchard: The hon. Gentleman mentions miracles, and he will know that the chaplaincy of all three armed services plays a very important part in the delivery of the health care system. Will he put on record for the House and for those outside a tribute to the chaplains who do so much work on the front line and behind the scenes?

Willie Rennie: We underestimate the contribution that the ministry makes to general health care in the military and to the social well-being of individuals who are in hospital. We should recognise and praise that. We sometimes dismiss things that have been there for some time; we take them for granted, and we should not do so. The hon. Gentleman makes a valid point.

There is a centre at Chilwell for the Territorials who have returned from conflict. The stress and trauma that they underwent in previous conflicts was not recognised, but now that they are an integral part of the armed forces, it is vital that they have that service, so that when they return from conflict, they can get the support that the rest of the armed forces receive.

There are concerns, however, and an awful lot more needs to be done for veterans. The six pilot projects are making good progress, and good work is being done. However, some 2,500 ex-servicemen make up about 3 per cent. of the prison population, and the suicide rate among veterans is high, so it is absolutely vital that we advance the progress on support for veterans, who feel ignored and rejected by society. They feel very proud to be in the armed forces, and rightly so, but that recognition does not necessarily exist when they return home. Many health authorities—and about one in three GPs—are simply unaware of priority treatment status in the health service, and it is vital that we overcome that inadequacy and advance the work of the pilot projects.

Moving on to procurement, I believe—I can see the hon. Member for Glasgow, South-West (Mr. Davidson) getting excited; I think that he lives on an aircraft carrier—that we need to begin by acknowledging the sheer enormity of the public debt. Even before the current downturn, the MOD had massive debt, and Bernard Gray, in his report last October, noted the gap of about £35 billion between our commitments and the resources that are available to fulfil them. Some analysts estimate that the annual shortfall is as much as £10 billion, and that is out of a total budget of about £37 billion. The figures vary and estimates come and go, but in reality there is an enormous gap between our commitments and our resources. That is Labour's legacy—a budget that is out of control and a programme that is years late.

The Eurofighter is beset by overruns, delays and technical problems. It is now expensive and unnecessary, and its capabilities are inappropriate. The future rapid effect system was committed to in 1998, but it will not be completed until 2017, and perhaps even later. The aircraft carriers—

Mr. Davidson: Yes?

Willie Rennie: The hon. Gentleman is paying attention. The Government committed back in 1998 to construct the aircraft carriers, but the deal was signed only in 2008. Embarrassingly, only months later the project was delayed by another two years, costing the taxpayer an additional £1 billion. The hon. Member for Woodspring stole my line—the "spend now to save later" principle has been changed to "save now to spend an awful lot more later".

Angus Robertson: For the purposes of clarity, may I take the hon. Gentleman back to his comments on the Eurofighter, which he seemed to say is not needed? Will he clarify exactly what he said and the consequences that his comments would have for RAF Leuchars?

Willie Rennie: We have made considerable progress with the Eurofighter contract, but we are referring to tranche 3, as the hon. Gentleman knows full well, because I am sure that he has studied these matters.

The MOD spent £259 million buying eight Chinook Mk 3 helicopters for the Special Air Service, but the cost to the MOD is now £500 million and those helicopters are still not in the air.

Mr. Davidson *rose—*

Willie Rennie: The hon. Gentleman was a wee bit slow to intervene.

Mr. Davidson: I thought that the hon. Gentleman was going to say more about the aircraft carriers. Does he agree with his colleague the hon. Member for North Devon (Nick Harvey), who, when he met the convenors of the shipyard unions last week, indicated that the aircraft carriers were safe with the Liberals, and that they supported the building of the aircraft carriers, irrespective of a defence review? That went some way to lift the workers' mood, compared with hearing from the Conservatives that on day one of any future Conservative Government they would examine the break clauses. The Liberals did not say anything like that, and the unions very much welcomed their position.

Willie Rennie: I am relieved to hear what my hon. Friend the Member for North Devon (Nick Harvey) said, because I have not spoken to him since his visit. That shows the Conservatives' position on the matter—they are not committed to the aircraft carriers. Revealingly, however, the Defence Secretary also refused to answer the relevant question, and I was a bit puzzled by that, so I hope that he will take this opportunity to contribute.

Dr. Julian Lewis: I can help out the hon. Gentleman, because last Thursday I, like the Secretary of State for Defence, had the pleasure of going to Portsmouth to attend the steel-cutting ceremony for the first of the aircraft carriers. I listened carefully to the Secretary of State, who said that the Government were committed to the aircraft carriers—I think that I am using his words correctly—unless there were to be some very radical

[Dr. Julian Lewis]

recommendations from the defence review. I took that to mean that the Government's position is that they are not exempting the aircraft carriers from the defence review, even though they believe that they will probably be confirmed by it. That is a sensible position for the Secretary of State, and indeed for us, to take.

Willie Rennie: I thank the hon. Gentleman—that was very helpful.

The cost of the three Astute class submarines has risen from £2.5 billion to £3.8 billion, and the Type 45 destroyers are costing £1 billion each—£1.5 billion over budget in total—and are two years late. There has been a whole plethora of mismanaged projects over the years. That is the background against which we move forward to the next strategic defence review. It is essential that that SDR is not just a crude hacking job—there has to be some strategy around it.

The Tories seem to have perpetuated the myth that Britain can act alone. The last time we did that was in the Falklands, and even then we relied on intelligence from the United States. They seem to think that Britain has not changed, and that the world has not changed, in the past 50 years, and that we can carry on as we are. We need to share and to work with others. That does not mean working only with the United States but—I know this will make the hair stand up on the back of their necks—with our colleagues in Europe. The record of co-operation with some European nations has not been great, but it is one of the few options open to us—they need to work with us and we need to work with them. I believe that we can achieve an awful lot by working together and that, over time, the situation will improve.

There were no references to Trident in both speeches made by Front Benchers. Given that we have the non-proliferation treaty negotiations coming up very soon, that is a very disappointing development. This does not seem to be the priority that the Prime Minister led us to believe that it was going to be. It is simply misguided to continue with a full-blooded, gold-plated nuclear weapons system. The Government's attitude to the defence of the nation is stalled in a cold war mentality that is hopelessly anachronistic against the threats of sub-national terrorists and insurgents. President Obama has given us an awful lot more hope. Perhaps the shine has come off his presidency, but he is still prepared to discuss this with others—others to whom his predecessor would not even have picked up the phone. That is a welcome development that we must grab with both hands.

We must take forward the opportunity presented by the NPT. We opposed the decision back in 2007 prematurely to decide to go ahead with the new nuclear deterrent. That decision was premature, and we should not have made it at that time. In effect, it sent a message to the rest of the world that Britain was carrying on as normal and that we intended to renew Trident.

Mr. Bernard Jenkin (North Essex) (Con): The hon. Gentleman seems to be proposing an alternative nuclear deterrent to Trident—what is it? Is it an existing system or would it have to be designed and created, how much would it cost, and what would be the timing of its introduction?

Willie Rennie: These are excellent questions, and I am sure that the hon. Gentleman will pose them to my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell), who is sitting behind me and who is carrying out a review on this important matter, which must be considered to ensure that we get the right system. I am sure that we will have a discussion later, when the hon. Gentleman can feed in his views about what that system should be.

It was misguided to make the decision in advance of the NPT talks that will take place later this year; we should have waited. The main gate decision was due to be made in 2014, but we decided to make it way in advance of that, and there was no need to do so.

Linda Gilroy: I think I remember correctly that the hon. Gentleman served on the Select Committee on Defence when we examined the various reports on the matter, and I ask him two things. First, what is his assessment of the maintenance of the nuclear skills base in the context that he is setting out? Secondly, did he not look at all the alternatives set out in the White Paper? What alternatives that were not considered or that were dismissed in it is the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) likely to come forward with? The hon. Gentleman must have some idea, having looked into the matter in detail.

Willie Rennie: I have answered the second question, and the hon. Lady knows the answer to the first—we have been over it before. The skills base would not have been affected if we had made the decision at the beginning. We did not need to make all the decisions then, and the main gate decision was the important one. Britain said that Trident would go ahead no matter what the 2010 non-proliferation treaty said, which was simply misguided.

Sir Menzies Campbell (North-East Fife) (LD): I am sure that my hon. Friend has not forgotten the important issue of continuous at-sea deterrence and whether four submarines are necessary. Has he noticed that the Prime Minister has floated the idea of having three instead? That rather suggests that the unqualified enthusiasm for the project on the Labour Benches may not be mirrored in No. 10 Downing street.

Willie Rennie: I had not mentioned that, because I did not want to steal my right hon. and learned Friend's thunder. He is right that we should consider a whole range of matters, and I will read his report with interest when it comes out. It will be a great contribution to the debate.

I hope that I will not bore you too much, Madam Deputy Speaker, if I read out part of the NPT, which mentions the desire

"to further the easing of international tension and the strengthening of trust between States in order to facilitate the cessation of the manufacture of nuclear weapons, the liquidation of all their existing stockpiles, and the elimination from national arsenals of nuclear weapons and the means of their delivery pursuant to a Treaty on general and complete disarmament under strict and effective international control".

I am therefore puzzled by the position of the Government and the Opposition Front Benchers.

Dr. Julian Lewis: Will the hon. Gentleman give way?

Willie Rennie: Not yet; the hon. Gentleman will get his chance.

The Defence Secretary recently said:

"But we have got to balance that against the uncertain world that we face. The threat changes. If one looks back, its changed hugely over time and no-one can be certain that that won't happen again."

Dr. Lewis *rose—*

Willie Rennie: Wait, because the Conservative spokesman, the hon. Member for Woodspring, has said:

"The only thing you can predict with any certainty is that we will not be good at predicting the future."

In short, Labour and the Conservatives will never, ever disarm. With their words, they dismiss the treaty. The inability absolutely to predict events means that according to them, there should always be a nuclear deterrent. Irrespective of the threats, the cost and the treaty's aim to ease international tension and strengthen trust, they will always retain the full-blooded, gold-plated system. That directly contradicts the disarmament aims in the treaty.

Dr. Lewis: Does the hon. Gentleman understand the meaning of the phrase "general and complete disarmament", which was in the part of the treaty that he read out? It means an arms-free world. When we get to the stage at which we can safely have an arms-free world, we can safely have a nuclear-free world. If we have a nuclear-free world when countries are still at each other's throats and armed to the teeth with conventional weapons, we will make the world safe only for world war three. As long as other countries have nuclear weapons in a world such as we live in today, my party will want to have a nuclear deterrent.

Willie Rennie: That is the cold war mentality—it has never moved on. There is always an idea that because we cannot predict the future, nothing must happen. That is a pessimistic view of the world, and the Conservative Front Benchers have absolutely no hope on these issues.

Moving on to Iraq, surely the Government's biggest failure has been sending our troops to war on a false prospectus, ill prepared, ill equipped and then overstretched, tarnishing our reputation throughout the world and, worst of all, costing the lives of thousands. That stored up problems in Afghanistan, too—we took our eye off the ball in Afghanistan by failing to maintain sufficient troops when we kicked in the door in Iraq. This part of my speech will be short, because it needs the least justification. It is plain and simple. The Government's character and judgment were tested and found wanting. Labour and its backers in the Conservative party will be haunted by that decision, which will live with them for years.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. I remind right hon. and hon. Members that Mr. Speaker has imposed a 15-minute limit on Back-Bench contributions. I give advance warning that that length of time may have to be reduced to allow time for Front Benchers to wind up.

4.50 pm

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): May I start by paying tribute to the great sacrifice that has been made by our troops when they have been deployed in recent years—in fact, in the 23 years that I have been in Parliament? I saw the courage, motivation, commitment and professionalism of those troops during my period as a Defence Minister, and I have continued to see those qualities displayed as the current chairman of the European Security and Defence Assembly. I have been to some of the war zones recently, including Afghanistan, and seen what has happened there.

I am extremely grateful that I managed to catch your eye, Madam Deputy Speaker. It is said that there is always a great queue to make a maiden speech and that one has to wait one's turn, but I rather fear that in this Parliament, there is going to be something of a queue to make a last, valedictory speech. I do not know whether this will be my last speech, but it may well be—I am very much in the hands of both the Prime Minister and you, Madam Deputy Speaker, and your judgment on who should be called. That being so, I should like to say that it was a privilege to make my maiden speech and to contribute to the House since, and to catch your eye today in such an important debate.

I should like briefly to say something about the European Security and Defence Assembly before I address what has been said by the Front-Bench speakers so far. When we discussed the Lisbon treaty in the House, we disagreed about many things, but we all agreed that European security and defence policy was an intergovernmental matter and that it should stay that way, and that the European Parliament had no locus whatever over it. We also agreed that it was important that defence policy was subject to scrutiny at international level. That should be the case for European security and defence policy. I hope that Front Benchers acknowledge the importance of continuing European-level scrutiny, and support a reformed European Security and Defence Assembly as the most appropriate body for that. I hope everyone agrees that it would be absolutely wrong for defence to become a responsibility of the European Parliament.

On the main debate, it pains me a little when party politics becomes involved in crucial issues for the nation. When I was a young man—this is my memory of recent political history—a minimal amount of party politics was involved in issues central to the defence of the nation. One damaging feature of more recent political history is that there is an increasing desire on the part of political parties—I am not blaming any one party for this—to make short-term capital out of issues that I believe, as I have always believed, are fundamental to the security of the nation.

I disagree with the Conservative motion because I do not think it was proposed in the context of what is right for the nation and for Conservative thinking about its future. When I look at the motion, I see an Opposition motion, pinpointing one or two faults that may or may not have been the responsibility of the Labour Government. I am not saying that everything in the motion is wrong, but my main argument with it is that it is a party-political motion that tries to nitpick faults, but does not deal with the real issues that affect the security of this nation.

[Mr. Doug Henderson]

The motion does not deal with the threat, and in a debate on defence it is pointless to discuss anything else without a vision of the threat. Defence policy, by its very nature is best-guesswork to some extent. We cannot foresee the future. Winston Churchill said in 1922 that he could not envisage a situation in which Britain would be at war with Japan. I am sure that he said that with the best intentions, but he was very wrong, because he was not taking a long view. The lesson for us all is that it is very difficult to predict exactly the shape or the nature of the world ahead. I would have hoped that the motion today would have considered the threat.

We may all agree about what we see immediately before us. We know that there is a threat in Afghanistan from failed states and terrorist organisations that would destroy democracy, given the chance, throughout the rest of the world, using areas such as Afghanistan, parts of Africa and, indeed, other areas in Asia, to develop bases, interfere in the education of the people and begin terrorist activities. We also recognise that there are problems in the middle east. We do not know exactly how they will play out, but they are a major threat.

One of my arguments with the Liberal Democrats is that they are so party political in appeasing and appealing to people who think that war will not exist in the world because people will be good, that they fail to consider the security of the nation. They cannot answer the question about future arguments between states. At the moment, defence may be about protecting oneself from terrorism, but there are no guarantees—remember Winston Churchill—that in the future there will not be conflicts between states, sometimes with different terrorist organisations being part of those interstate conflicts. In my view—and I have held this view for a long time—it would be extreme folly for Britain to give away its nuclear deterrent given that possible political situation in the future. There is no purpose in having second-level deterremts: we have to have top-level deterrents if we are to protect the interests of the nation. That is the issue to which the Liberal Democrats and some other parties have to face up.

I would be interested to know the Conservative Front Benchers' position on this issue. I know the views of some Conservative Members, but what is the position of Fromt Benchers on the nuclear deterrent?

Mr. Laurence Robertson (Tewkesbury) (Con): Our position is crystal clear and I am surprised that the hon. Gentleman does not know it. It is a shadow Cabinet decision, and has been for some time, that we are committed to renewing the Trident nuclear deterrent.

Mr. Henderson: If that is an absolute guarantee, I am pleased that the hon. Gentleman was able to give it, and I hope that it will be given prominence in Conservative thinking on defence policy. I did not expect the Conservative party to come up with an all-embracing outline of what an SDR should eventually produce today, but I did expect some thrust about where it saw the threat coming from in the future. Apart from those threats that I have mentioned so far, does it see a threat from cyberwarfare? Does the Conservative party think that there is a threat from the impact of climate change on, for example, food prices or the availability of food or water? If the Conservative party thinks that those are threats, surely we should have heard something about that from the Conservative Front-Bench spokesman, but there was nothing about that at all. My view is that cyberterrorism is a real threat and could be a major part of any war front in future. It has to be countered, and the resources have to be found to do that.

I return to the point that I made in my intervention on the hon. Member for Woodspring (Dr. Fox). Does the Conservative party accept that there are choices? Opposition parties do not really have to identify choices, but in the run-up to the general election, the public want to know what the different parties are saying about the nation's defence. They want to know whether the parties have accepted that, in the real world, there are choices. We cannot have everything: that is the nature of things. Expenditure has to be allocated. Therefore, the starting point is the threat. Once the threat has been identified, then the question is: how much of the nation's resources are we prepared to spend on it? We still spend more, I think, than nearly every other European Union country.

Linda Gilroy: We are second.

Mr. Henderson: Yes, we are second. We therefore spend a significant amount already, but is public opinion going to wear a greater amount of our gross domestic product being spent on defence? Those on my Front Bench raised that issue with those on the Conservative Front Bench in earlier exchanges, but I am not yet clear whether the Conservative party will guarantee the existing percentage of the nation's resources being spent on defence, should they win a general election. That will be a key point in the election, and I will be watching what the Conservatives say on that very carefully. Indeed, I would have liked to hear something about it in today's debate, because our armed forces will be listening to and watching this debate. They will want to know what the future is for them, and whether they will be properly resourced, regardless of who forms the Government after the next general election. Cost is a factor; one cannot get away from cost.

Another thing that has to be dealt with—I will have to précis this point because of the time—is that we cannot have everything to defend our nation, even if we could face the cost. We have to decide what the core provision is—that is, what is there in case we need it at any time—and then we have to know how much flexibility there is, so that we can have additional provision to meet any exigencies that arise along the way. That is an important issue, and it has a huge amount to do with the procurement budget. I am trying not to be party political about this point, but again, I did not hear from the Conservatives whether they believed that movement across the sea required the building of two new carriers and whether that would be sustained, regardless of anything else that was decided in a strategic review. That is another question that will be asked.

However, the important question is: what is the core provision? Core provision is usually straightforward, and includes, for instance, intelligence, which will be crucial in future, and an Army that is at least the same size as what we have now—or perhaps bigger—and deployable. That is crucial core provision. Drones and various other unmanned aerial vehicles appear to be an

essential part of core provision in the future; therefore, choices have to be made. Do we spend our air budget on drones and other intelligence-gathering equipment? Or, do we spend it on aircraft that can precision-attack, even in bad weather—at the moment it is questionable whether some of our aircraft can do that—or on air-to-air combat aircraft? Except for in a small way in the Falkland Islands, we have not been involved in air-to-air combat on any significant scale since the Korean war—that is, if my memory is accurate. I am happy to be corrected on that, but the last time was certainly a long time ago. Yet as a nation we still order air-to-air combat aircraft. Is the aircraft priority the defence of our naval capacity?

Those big issues have to be faced. They are all about choice, and some are about additional choice. We need to have the core provision, but there must be a capability beyond that, which will allow us to augment, depending on the situation that we face. Lift is another matter that the strategic defence review needs to consider. We cannot have deployable troops without the necessary lift capacity. We also need to ask whether we envisage ever again having a major conflict in areas furth of where we are, as we say in Scotland. Could Britain ever again engage on her own in a conflict à la the Falklands, or will we always be involved in an international intervention, with NATO, the European Union or another coalition of the willing? If we envisage the vast majority of our future deployments involving such coalitions, we need to think much more carefully about how we co-operate with the others who are deploying, and to what extent interoperability exists regarding our equipment. That, too, is a key issue that must be dealt with.

Many defence issues relating to the security of the nation need to be debated. The Conservatives could have done much better in their motion today. They could have looked at the big issues and explained how they intended to approach them in a strategic review, were they to be in government. They could have identified areas of consensus with the present Government on policies that they believe should be pursued in the interests of the nation. Those are the issues that should have been in their motion. They are not, however, and I will vote against it tonight.

5.6 pm

Robert Key (Salisbury) (Con): It is a great pleasure to follow the hon. Member for Newcastle upon Tyne, North (Mr. Henderson). His speech illustrates one of the problems that the Government have had over the years: they have had too many Defence Ministers. He might recall that when he was a Minister and I was his shadow, he took me to Slovenia on a sensitive and difficult mission to convince an emerging democracy of the importance of the Opposition being joined at the hip with the Government on defence policy. That important mission symbolised something very important, which the hon. Gentleman has talked about. Our discussions this afternoon should not detract from the position that everyone in this House, from whatever political party, supports Her Majesty's forces up to the hilt, and that whatever the politicians ask them to do, we back them as they do it, even though we might disagree with it politically.

That does not, however, mean that the Opposition can renege on their duty to hold the Government to account—through the Select Committee, through challenging them in debates such as these, or in any other way—on the ways in which they have or have not fulfilled their support for the armed forces. I hope that this debate will not become too party political, but it is an inevitable part of the strength of our military position that we hold the Government to account for the decisions that they take, without in any way departing from the vital principle that we in the House support Her Majesty's forces, even if we argue about the ways and means. Similarly, we never have a vote in the Select Committee on Defence; I cannot remember there ever being such a vote.

I agree completely with the motion. It makes some very constructive points, particularly about the next strategic defence review. I remember criticising the Government in 1998 for not saying that they would have a review in four or five years. I remember arguing that we should adopt the American or Australian system of having a regular review every four or five years. It is nonsense to say, "Oh, well, we've had some updates since then," as the Government's amendment seems to suggest. A rolling programme of defence reviews every four years would have avoided some of the difficulties that we have had—for example, in moving from Iraq to Afghanistan, and in the flexible approach needed in assessing risk these days.

I think, too, that the motion is entirely justified in pointing out the muddle, post-Iraq war, in post-conflict resolution. It is perfectly obvious that we did not work it out then, and that there was no joined-up government—it may have had something to do with the right hon. Member for Birmingham, Ladywood (Clare Short), who was then Secretary of State for International Development, and her particular view of the Iraq war—but NATO and the allies made a big mistake in not settling down properly to study what was going to happen after the war.

If we are to have a new system of defence reviews on a regular basis—I hope we do—we have to be prepared to stand back even further and perhaps give a new role to voices such as that of the Defence Academy of the UK at Shrivenham, which does a great deal of thinking about these issues; I salute the academy for that.

The motion is also quite correct in pointing out what nonsense the cut in the helicopter budget of £1.4 billion in 2004 was. It was indeed folly; there is no ducking that. The deficiencies in the procurement of the A400M and the air-to-air refuelling capability have been a major blight on military planning ever since. The cuts in the frigate and destroyer fleets of the Royal Navy were a great mistake, as was slippage on the carriers. The provision of aircraft for the aircraft carriers is also looking difficult, in view of where the joint strike fighter is in terms of planning and production.

The motion is also correct to point out the deficiencies in the military covenant, particularly housing. That is true in my constituency, as it is true, I am sure, in those of many other hon. Members who have military garrisons or quarters in their constituencies; they will be familiar with the sort of problems that arise. Only last month I visited some married quarters in Netheravon in my constituency, where I found some tired old 1950s housing. To be perfectly honest, it should be bulldozed and started again. It has been patched and repatched, but there are still holes in the roof, leaking walls, rising damp and so forth. In this day and age, this is not the sort of accommodation that we should expect our forces or their families to be placed in.

[Robert Key]

Because Project Allenby is happening close to my constituency, and in it, I know that the Ministry of Defence is engaged in the biggest single building programme it has ever carried out. It includes many upgrades of existing houses as well as the construction of new married quarters and single person service accommodation. It was astonishing when the Ministry of Defence recently cut £14 million from the housing budget, hitting the upgrading of married quarters for 4,000 families—and at the stroke of a pen up the road there in the Ministry of Defence! That is having a huge impact on the lives of 4,000 service personnel. That was another great mistake—whatever one may say, looking back in history, about what happened with Addington Homes, and so forth, which seemed such a good idea at the time. We should beware of failing to take the issue of military housing seriously.

The Government amendment has plenty in it with which I can agree, but it is rather over the top in talking about "31 new ships", as it is probably true that those were all ordered by the Conservative Government; certainly most of them were. The amendment also refers to improved medical services. Of course that is true. What happened at Selly Oak is controversial but very good; what is happening in Headley Court is very good; support for combat stress is very good. It is also true to say, however, that the military depend to a substantial extent on the national health service. The demise of the old military hospitals was the right decision to take, and NHS consultants are now heavily involved both on the front line, on secondment from their NHS hospitals as in the case of the Salisbury district hospital, and through the specialties they can provide, such as plastics, burns units, rehabilitation facilities and so forth in NHS hospitals, which are widely used by the services—and quite right, too.

Something has, however, gone wrong with welfare services. My constituency has seen cuts in the Army welfare services, which I greatly regret, because they put a bigger burden on local authority services. My local authority currently spends about 500,000 pounds a year on looking after servicemen and their families.

Where would our military welfare be if it were not for Help for Heroes, an organisation that has really caught the imagination of the British public? We know that the British public have the greatest admiration for all our armed forces in all three services, but is it not astonishing that they are putting their hands in their pockets—to the tune of about £8 million a year—to support Help for Heroes, which in turn supports organisations such as Headley Court, the Soldiers, Sailors, Airmen and Families Association, and the Selly Oak patient welfare fund? Where, indeed, would Help for Heroes be without my constituents Bryn and Emma Parry, who founded it? We are all deeply grateful to them.

Where in all this, I have to ask, is the Royal British Legion? It seems to have lost the plot. You and I know, Madam Deputy Speaker, and everyone else in the House knows, that the Royal British Legion provides services for current servicemen and servicewomen and their families as well as for veterans, but that is not the public image. At the weekend I talked to some 30-year-olds who clearly thought that the RBL was all about poppy day and parading around the town once a year. I enlightened them, of course, but nevertheless that is the image, and that is why Help for Heroes and a number of other charities have become so popular.

Linda Gilroy: I agree with the hon. Gentleman to an extent about the perception of the Royal British Legion, but does he share my welcome for the support that it is giving to Citizens Advice, which it is helping to fund a national network of advice on matters that service families, service personnel and veterans need to know about?

Robert Key: Of course I welcome that hugely. I also welcome the RBL's support for people who are leaving the forces, which is really important. However, I hope that the RBL will raise its game and help the public to understand the work that it does, every day of the week and every week of the year, not just for veterans but for young men and women who come out of the forces with either a physical or a mental difficulty.

The hon. Member for Newcastle upon Tyne, North mentioned new threats. Of course he is right about cyberwarfare, which I have been going on about relentlessly in the Defence Committee ever since I visited Estonia, that doughty partner of British forces in Afghanistan. I visited its cyberdefence college. Estonia has a NATO-sponsored college, in which Britain plays a modest role. It is the only NATO nation that has been subject to cyberthreat and cyberattack, and it has a lot to teach us.

I also agree with the hon. Gentleman about climate change. When the Select Committee was preparing a report on the future of NATO two or three years ago, I was struck by a visit that I paid to Denmark. We heard that the Danes were way ahead of the curve in assessing the impact of climate change on strategic sea routes around the northern hemisphere. It was to the Danes' advantage to ensure that they were on top of defence strategy, because Greenland was suffering from a retreating ice sheet which was opening up opportunities not just for fossil fuel exploration and development, but for the strategic defence of new northern trade routes around the whole of the north American continent. When the Committee went to Moscow, I pursued that point with the Russians. They too have that new opportunity, all around the northern shores of the Russian Federation, with the possibility of new trade routes throughout the world.

That is another reason why it is utter folly to talk of abandoning the Royal Navy aircraft carrier project. Britain must continue to have global reach. We need the Royal Navy, and we will need it even more in the next 10 to 20 years. We must not forget that. Given that more than 90 per cent. of Britain's trade depends on sea routes, our seaports—the great ports of Plymouth and Portsmouth, for instance—will depend on the Royal Navy for the preservation, conservation and growth of the nation's prosperity. New threats will need new solutions, therefore, and the hon. Member for Newcastle upon Tyne, North is right about the importance of intelligence, such as that from unmanned aerial vehicles, in various phases.

It is in the interests of the nation for the Ministry of Defence to do all it can to improve the quality of its equipment and its people, and to help the families who support our servicemen and all those who follow the

flag. I will no longer be a Member of this House when future defence debates take place, so I will not be able to contribute to them; this will be my last defence speech, after almost 27 years and an awful lot of defence speeches. My message has always been the same, however: we should spend more of our GDP on defence. It is folly not to do so.

It was, of course, right that we rolled back our defence spending at the end of the cold war, but the peace dividend was, in my view, entirely illusory, because new threats replaced the old threats. That will always be the case. In respect of defence policy, unpredictability is the only thing that is predictable. We should never forget that. We should never drop our guard; we should always be right at the forefront, as my constituents are every day, at the Defence Science and Technology Laboratory at Porton Down, for example, and at the Health Protection Agency's Centre for Emergency Preparedness and Response. All the defence scientists and all the people who are prepared to lay down their lives for this country deserve the undying support, recognition and affection of our constituents and of every Member of this House.

5.21 pm

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): First, may I share in the expressions of support for our armed services and of regret for the loss of life, and pay tribute to all those who have made that sacrifice?

It is a pleasure to follow the hon. Member for Salisbury (Robert Key) on the occasion of his final defence speech. He has been consistent in his support for the armed services, in speaking up for more money for defence, and in taking a balanced approach to the scrutiny of defence issues. One might wish that he had been the Conservative Member introducing the motion at the beginning of the debate—although he will not be surprised to learn that I cannot agree with him about supporting the motion—because the opening speech from the Conservative Front Bench Spokesman was far too pugnacious, as my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) has suggested.

It has been a pleasure to serve alongside the hon. Member for Salisbury on the Defence Committee in this Parliament. It has been my first term as a member of the Committee, and I think we have provided constructive scrutiny, based on in-depth inquiries, on the subjects of deployments, health and welfare packages, and procurement. There has been plenty for us to get our teeth into, and I have to say that the Government responses to our reports have been a little mixed. On the whole, however, their responses have been positive, particularly on health, education and welfare issues.

The welfare issue is one subject on which I cannot possibly agree with the motion. It states that we have failed to "honour the Military Covenant". Far from it: the responses to the many Select Committee reports on education, health and the welfare package have been comprehensive. The Royal British Legion has also played a considerable part in lobbying on those issues, of course. I welcomed the summer 2008 personnel Command Paper and the establishment of the external reference group, which was set up to make sure the issues raised were followed through. On compensation, housing, travel and education, we have gone rather further than was proposed in the Conservative-commissioned paper on those matters. Compensation for the most serious injuries doubled, to £570,000, and the 2010 review included further improvements, such as a 30 per cent. uplift in guaranteed income payments for young servicemen with life-changing injuries, recognising that they might well have had a military career ahead of them that would have enhanced their income over time.

Conflicts in Iraq and Afghanistan have been sustained over what will soon be a decade. Tory complaints that they have not been funded ignore—when this is looked at in the round—not just the 10 per cent. real-terms increase, which my right hon. Friend the Secretary of State mentioned in his opening statement, and the funding from the reserve for the deployments, but the significant contribution that cumulative savings in the defence budget have made in each comprehensive spending review period. They have enabled either cost pressures to be relieved—those have not gone away—or more to be spent on defence priorities.

On 16 December 2009, at column 1210W, my right hon. Friend the Secretary of State set out in answer to a written question that in the CSR period 1998-99 to 2001-02 the cumulative savings in cash and resources were slightly more than £2 billion, that in 2004-05 to 2006-07—in the three-year period of the Gershon review—the cumulative saving was £3 billion against the 2004 baseline, and the figure for the first year of the 2007-08 to 2010-11 CSR period against the 2008 baseline was £600 million.

Alison Seabeck: Was my hon. Friend surprised that the Opposition Front-Bench spokesperson, who aspires to be in government, did not seem to be aware of those figures when she posed a question to him?

Linda Gilroy: I was surprised by that, and by the whole nature of the contribution made by the hon. Member for Woodspring (Dr. Fox), given that he gave a sensible speech to the Royal United Services Institute. Hon. Members will not be surprised to learn that it did not differ a great deal from what is set out in the Green Paper, except that it perhaps put rather more emphasis on a capacity to act alone. As my hon. Friend the Member for Newcastle upon Tyne, North said, such an approach is decreasingly likely to be taken.

It is a sign of a confident Minister and Ministry that they are willing to engage with and respond to scrutiny. The evidence shows that that has been demonstrated not only in relation to the Command Paper, but in other respects, notably on the Gray review. One would sometimes think that it was not the Government who had commissioned that review, in order to take seriously the pressures and issues that have arisen, but they did and they were ready with a response to it—and on the Defence strategy for acquisition reform, which was published alongside the Green Paper.

The Gray report said:

"the UK's allies are by and large complimentary and in some cases envious about what the UK has done to drive reform in this area."

Indeed, table 10-3, on page 215, suggests that the UK compares favourably with the United States and Australia. The Defence Equipment and Support agency features in the top quartile of the Human Systems Ltd benchmarking of UK and international organisations managing complex projects. It is therefore not exactly the basket case alluded to in the motion.

[Linda Gilroy]

On urgent operational requirements—examples include the Jackal, which is procured in my constituency, and built in Devonport dockyard, and the L129A1 Sharpshooter rifle, deliveries of which were made in January 2010, just two months after the order had been placed—the contrast with the Conservative Administration could not have been greater.

I commend to the House, and to any Member who was not present at the time and who has not heard reference made to it, the speech made by my right hon. Friend the Member for Walsall, South (Mr. George) on 28 February 2000, in which he set out an A to Z of Conservative failures during his period of service on the Select Committee on Defence. That covered everything from the infamous Annington Homes deal, which has been mentioned on a number of occasions, Apache, Bowman, the cancelled common new generation frigate and the Eurofighter—the consequent problems still beset us—to, going on to the end of the alphabet, the Tornado F3 upgrade, the Upholder class submarine, Westland, Yarrow, of course, which saw the beginnings of its demise under the Conservative Government, and Zircon, the satellite about which information was withheld.

I think that our service personnel and the people who work so hard in the United Kingdom to support them expect more than cheap shallow politicking, which we heard not so much in the motion but in the rather pugnacious speech that was made at the beginning of the debate. I hope that the Opposition spokesman who sums up will, as well as giving us some insight into what Conservative policies will consist of, be a little more balanced and generous. Our troops deserve better than such politicking.

5.31 pm

Ann Winterton (Congleton) (Con): May I begin by paying tribute to all our serving armed forces and their families? We remember, in particular, those who have lost their lives recently or who have been injured in the service of their country.

This could well be my last contribution to a defence debate as a Member of this House and I am grateful to Her Majesty's Opposition for securing the debate and for giving me the opportunity to make a brief speech.

Over the life of this Parliament, I have tried to focus on three areas of defence: the personal safety of our troops; the correct equipment for the conflict; and appropriate expenditure to match the threat. I was once referred to, in a Westminster Hall debate that I had instigated, as an armchair general by no less than the Under-Secretary of State for Defence, the hon. Member for North Durham (Mr. Jones), who sadly is not in his place today. He said that he imagined me playing with my toys at the kitchen table. I was a little cross at the time, but I did not take him to task about it. Even in that capacity it was not difficult to predict, as I did in 2006, the future deadly use of improvised explosive devices in Afghanistan based on the military's previous experience in Iraq and to realise how unprepared we were for that type of warfare.

Some military thinking is, thankfully, changing at long last. I was delighted to read the address made by the Chief of the General Staff, General Sir David Richards, to the International Institute for Strategic Studies on 18 January this year, to which I will refer later. There is no doubt that the infantry, in particular, has changed beyond all recognition over the last decade in its provision of body armour, weaponry and vision and night sights. Those who have contributed to that advancement deserve all credit. However, there are still areas in which constructive criticism can be made, especially those concerning mine route clearing vehicles. That was an issue that my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) and I raised in oral Defence questions last week. To quote the Secretary of State, the big task that our troops need to undertake is to

"tackle the IED networks, through the increased use of intelligence, so that we can be proactive in taking apart the networks that seek to target our troops."—[*Official Report*, 22 February 2010; Vol. 506, c. 5.]

I should be grateful if the Minister could update the House on how the Talisman project is performing, although I am still at a loss to know why we entered into the Iraq and Afghan conflicts virtually unprepared when we had appropriate equipment in Bosnia in the form of Chubby sets.

The House will know that I have, in modern parlance, "banged on" about vehicles being designed from scratch for blast deflection rather than blast absorption. On that basis, I have been critical of certain vehicles—none more so than the Jackal. It is a superb vehicle for special forces but not for general patrol duties. The entry of the company Supacat with its SPV400 into the light protected patrol vehicle programme vindicates the strong case that I made initially in the face of hostility and criticism, with the vehicle being designed around a V-shaped hull. The managing director of Supacat has been quoted as saying that the new design was developed as a result of the experience of the Jackal. It has, of course, been developed not just because of the fundamental flaws of the Jackal but because of competition from Force Protection, a company that was years ahead of the game, which, in relation to the Rhodesian and South African experiences, took a leaf out of that book. Force Protection must be credited with having saved the lives of thousands of service personnel in the British, American and Canadian armies in contrast to those that were playing catch-up. We have made progress in that area, but there are still those who think that those vehicles are at the lower end of the military pecking order. I believe that they are wrong, for without those vehicles the UK does not stand a chance in low-tech conflicts. Without them, the Army would probably be defeated. I believe that those vehicles will be used continuously in the future, not least because their design allows greater freedom and scope for different strategies and tactics to prevail.

My one regret is that little or no progress has been made on aircraft that use single or twin propellers, which is very disappointing. As soon as I mention that, the fast jet brigade try to shoot me down, although those aircraft are very difficult to shoot down. However, I see that I now have an ally in General Richards himself, who has recognised the advantages of aircraft such as the Super Tucano. In a recent speech, he said:

"If one equips more for this type of conflict while significantly reducing investment in higher-end war-fighting capability, suddenly one can buy an impressive amount of 'kit'. Whilst, as you will hear, I am emphatically not advocating getting rid of all such equipment, one can buy a lot of UAVs or Tucano aircraft for the cost of a few JSF and heavy tanks."

In the same speech, he asked:

"Can we take the risk? Well we have to take risk somewhere or run the far greater one of trying with inadequate resources to be all things to all conflicts and failing to succeed in any."

Other nations' air forces are rapidly increasing numbers of those aircraft, not to displace fast jets, but to work in tandem with them. There are considerable advantages to using such aircraft, especially in counter-insurgency operations. It is surely a great error of judgment that that area appears not to have been more thoroughly explored.

Helicopters are another area in which there was no need to go overboard with such expensive, over-technical aircraft, however great they may be. We have had massive expenditure on the Danish Merlins, Chinooks that did not work, and all our helicopters have had to be upgraded to make them fit for Afghanistan, many with Carson blades, but we could have had a fleet of twin-bladed Bell 212s, known as Hueys, or the four-bladed version, the Bell 412. The UK could have had sufficient numbers of aircraft that were perfectly adequate for purpose and considerably better value for money. Some tasks could have been undertaken more efficiently with fixed-wing aircraft such as the Pilatus Porter, which has a payload of just over a tonne. I fear that some minds are still set in the state-on-state conventional war scenario, harking back to the past, rather than facing up to the present, decidedly murky character of counter-insurgency. I see that what I am saying is amusing the Under-Secretary of State for Defence, the hon. Member for Grantham and Stamford (Mr. Davies) greatly.

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): I meant no discourtesy to the hon. Lady, but I have heard her making similar comments before, and I was merely smiling in recognition of her strong commitment to her case.

Ann Winterton: I am grateful to the hon. Gentleman for those comments. In this House, it is necessary to make one's case not just once, but 250 times, before common sense eventually prevails, so I do not apologise in any way for making the same case for as long as I am here.

What was refreshing about General Richards's speech was his understanding of expenditure. The military sometimes appear to think they have an open cheque book—a situation possibly exacerbated by cross-service rivalry. It is obvious that they do not, and more so now.

From a recent parliamentary answer, I was relieved to learn that the use of mortars is still strong. They are a very effective weapon and considerably cheaper to use than Javelin missiles and guided multiple-launch rocket systems. Guided multiple-launch rockets cost £68,000 each and Javelins cost approximately £49,000 each. We can compare that with the cost of mortars. The cost of a 51 mm mortar ranges from approximately £80 to £160; a 60 mm mortar ranges from approximately £185 to £640 and an 81 mm mortar from approximately £190 to £890, depending on the variant fired. We could get a hell of a lot of mortars for the cost of some of the other equipment.

It must be recognised that in a low-tech conflict, cheaper, less complicated equipment is often more effective and reliable than its high-tech short-lived cousins. That is not to say that technology does not greatly assist; it certainly does, as has been seen in the enhanced capability provided to the infantry, which I mentioned earlier, and in many other areas. Technology is not always the answer to every problem and it needs to be used intelligently.

As we move nearer to the future strategic defence review, I hope the three areas I have highlighted—safety for our troops, appropriate equipment for the task and expenditure, including affordability—will not be overlooked, but will be fully explored. The UK could then confidently face the future with defence forces cutting their coat according to the cloth of our finances, strategy and responsibilities as an independent nation—at least while we still have a vestige of independence.

The European Union poses the greatest threat to that independence, as the United Kingdom is no longer master of its destiny and the European Union does not have—as this country has had throughout its history—alliances, interests, influence and direct involvement with countries throughout the world. Nor does it have the common purpose that has been the strength of the military covenant between those who put their lives at risk on behalf of us all and those who wholeheartedly support United Kingdom forces both in peacetime and at war.

5.42 pm

Mr. Bernard Jenkin (North Essex) (Con): Like my hon. Friend the Member for Congleton (Ann Winterton), I pay tribute to the armed forces and to those who have fallen and those who are injured in the course of operations.

I shall not be drawn on my hon. Friend's last-minute foray into European policy, except to remark on the speech of the hon. Member for Newcastle upon Tyne, North (Mr. Henderson). He gave a dire warning that the European Parliament should not meddle in matters of defence, which should remain intergovernmental. I simply point out that plenty of us on the Opposition Benches warned that the Lisbon treaty would lead the European Parliament in exactly that direction, and further. He was warned, so if he did not want that to happen he should not have voted for the Lisbon treaty.

I congratulate my hon. Friend on the commendable freshness with which she always approaches such debates. She has a terrier-like determination to advance her argument, which she always does coherently and cogently. Indeed, the degree of detail on specifications and prices that she gives is far beyond what most Members bring to these debates. It is a reminder of what much defence policy is actually about.

However, I warn my hon. Friend about the sweeping judgments on the nature of future conflict that I fear she was making. She referred to outdated notions of state-on-state warfare, and said that we must be ready for the much murkier and more complex issues of counter-insurgency warfare, but the joke, as Churchill used to say, is that the War Office is always trying to fight the last war.

I hesitate to bracket the Chief of the General Staff within such a mistake, but it is inevitable that the defence chiefs will tend to defend what they are doing and argue for more equipment so that they can do what they do, rather than doing the more difficult horizon scanning about being prepared for things that we do not expect, such as the possibility that the next war might be fought on a coastal area, where we need sea and air

[Mr. Bernard Jenkin]

power. The two land-locked wars that we have been involved in Iraq and Afghanistan may well prove to be the exception. Incidentally, I point out that we had the characteristics of state-on-state warfare in Kosovo and certainly in both Gulf wars and that much of the combat with the Taliban has elements of state-on-state conflict that would be common to both types of warfare.

I want to concentrate on the key failures of Government policy since 1997. I commend the Opposition motion, but it tells only of the symptoms of failure, not its root cause—symptoms such as funding shortfalls, a failed procurement process, shrinking manpower assets and endemic overstretch. But the root cause is far more fundamental and relates to the failure of the UK's grand strategy. Bluntly, it seems that the UK no longer does strategy. We no longer seek to influence world events from our own agenda; we have been forced into reacting to them.

Foreign and defence policy since the SDR has been characterised by three words—drift, waste and overstretch—and they all stem from the failure of strategy. Yes, as my hon. Friend the Member for Woodspring (Dr. Fox) said, the SDR was based on what we call a foreign policy baseline, but as I shall point out, foreign policy tends to be more about process than about strategy and has proved a deficient basis for defence policy. There is a real danger that the 2010 SDR will be about the confirmation and re-examination of what we have been doing, rather than about being prepared for what we do not expect.

The key to a successful 2010 SDR will be a new UK strategic concept, which must embrace the whole panoply of policy—economic stability and trade policy, the future of the EU, NATO and the national security strategy, energy security, climate change and cyber-warfare. It is from those considerations that foreign policy and the SDR must flow. The UK has never institutionalised strategy in that way, but other countries, such as the US, France and Israel do so. It is time that we did so, too.

The outcome of 13 years of Labour drift in foreign and defence policy has resulted in the UK's global stock falling, as it did in the 1960s and '70s. Once again, we have to question our whole global role, as the UK is more exposed to external threats and global events than at any time since world war two. It has become a cliché to say that the 1998 SDR was a great piece of work, undermined only by a failure to fund it, but its failures are wider and deeper. In the light of Gulf war one, the theory of "go first, go fast, go home" enshrined in the SDR had some merits, but even by 1998, the experience of the Balkans was showing that such easy wins were the exception, not the rule.

The SDR had the right process, but it produced the wrong result. NATO went into Bosnia in December 1995 with 60,000 troops. By the time the NATO mission ended in 2004, there were still 7,000 troops. Even now, 15 years after the original deployment, there are still more than 2,000 EU troops. The SDR did not anticipate 9/11, the rise of militant Islamists or the types of counter-insurgency campaign that we have seen in countries that are much larger, much more hostile and a lot less developed than Bosnia. We should have moved on further and faster, but the Government remained wedded to the failed strategic assumptions behind the SDR.

The new chapter and the 2004 White Paper, to which the Secretary of State referred, merely tinkered at the edges. They shied away from addressing the changed strategic environment, largely for financial reasons. Unless we learn from the mistakes of the SDR, we will be condemned to repeat its failures.

One of the key foundations of the SDR was Labour's so-called ethical foreign policy. Actually, the Foreign Office turned that into a foreign policy with an ethical dimension, because it realised that the term "ethical foreign policy" is nonsense.

Tony Blair set out this ethical dimension in his Chicago speech in 1999 justifying the intervention in Kosovo on humanitarian grounds. That was, he argued,

"a just war, based not on any territorial ambitions but on values".

He concluded:

"In the end values and interests merge."

Shortly before leaving office, Mr. Blair argued that his experience of foreign affairs and defence since Kosovo had left him

"more persuaded that the distinction between a foreign policy driven by values and one driven by interests is wrong. Globalisation begets interdependence. Interdependence begets the necessity of a common value system to make it work. Idealism becomes realpolitik."

What does that mean? What does it mean for a Prime Minister who has to make a decision in a crisis? Does it mean anything in the real world? Look at how Russia and China approach the question of Iran to see how some countries deal with their values and interests. They do not regard the Iranian bomb as a threat to themselves, so they are happy to use the west's disquiet as a tool to further their own interests, regardless of values.

This is the problem for defence with Mr. Blair's

"doctrine of the international community",

and with the present Prime Minister's preoccupation with strengthening international institutions. International institutions must not become an end in themselves. They can be only a means to an end. The United Nations is, by definition, less than the sum of its parts. It can only ever act according to the lowest common factor of its members. Where the international community fails to accept our values, must we become a hostage to the interests of the hostile states that are blocking decisions in the UN?

If we can only act with a UN resolution, do we not simply give Russia and China a veto over our foreign policy and our defence policy? Would it not have been better for Tony Blair to have worried less about a second resolution on Iraq and more about the challenge of post-invasion planning?

What does this mean for defence? The doctrine of internationalism cannot any longer govern our defence policy. It leads to the very incoherence in foreign policy and in military action that we see played out on the streets of Basra. Why did we stake our reputation on supporting the war in Iraq, but lack the political will to follow through in Basra to prevent the city from falling into the hands of the militias? Why did we intervene in Helmand with far too few troops? Four years later, we have ended up with 9,500 troops on a tiny part of the footprint that we originally went in with, and with only the beginnings of a workable strategy.

Why did we condemn the illegal election victory of Mr. Ahmadinejad, yet send the British ambassador to attend his inauguration? Labour's foreign policy has

ended up compromising values and interests, and our defence as well. Messianic rhetoric has ended in debilitating drift.

Domestic policy has been characterised by waste, and we face an economic situation that leads us once again to question whether we can afford our global role. If we are to end defence and foreign policy drift, we must ask the real question: who holds the UK's strategic concept? Where is it written down? Who will redraft it before we embark on the defence review, if we are to make it a success? Before the end of the cold war, the UK's foreign and defence policy objectives had been broadly the same for five centuries: to maintain the balance of power in Europe leaving us free to develop our interests as a global trading power. In the post-cold war world, what is the modern equivalent of that as the basis for defence policy?

Throughout history, we have relied on extraordinary people in extraordinary times to frame UK strategy—men such as the elder and younger Pitt, Wellington, First Sea Lord Jackie Fisher and Winston Churchill. The end of the cold war may not have been the end of history, but it may have been the end of Europe as the principal theatre of global affairs. We have failed to develop a new grand strategy to engage with the new reality, where the stage is no longer one continent, but is the whole world.

The Foreign Office's latest strategic assessment is surprisingly old—its new strategic framework of January 2008. It has three elements:

"i) Providing a flexible global network serving the Government as a whole.

ii) Delivering essential services to the British public and business.

iii) Shaping and delivering HMG's foreign policy."

The Government's foreign policy is defined in four ways—countering terrorism; reducing and preventing conflict, which are both defensive; promoting a low-carbon, high-growth economy, which is so vague as to be almost meaningless in terms of the activity that it envisages; and developing international institutions, especially the UN and the EU. Yes, that internationalism again.

That is not strategy. It is process. Where is trade? Where is energy security? Where are our alliances, particularly NATO, which the Government claim is still the cornerstone of our security? It is remarkable that the advanced research and assessment group at Shrivenham put the danger of a global financial collapse into the draft national security strategy, but were told to take it out, presumably for political reasons, before it occurred.

Mr. Arbuthnot: Is my hon. Friend as concerned as I am to hear that the advanced research and assessment group is about to be abolished?

Mr. Jenkin: I am extremely concerned. I shall come to that in my closing remarks.

If we do not have the courage to recognise strategic threats, we will never be able to face them. A new UK strategic concept must be the first paper that the Prime Minister commissions after the general election. Without it, how can the defence review decide what forces we need to tackle the threats of today and the uncertainties of tomorrow? The Prime Minister of the day must lead it, but it needs an institutional backing, as my right hon. Friend suggests, as it has in France, the US and Israel, as I said earlier. It needs to draw on advice from beyond Whitehall and particularly from a newly constructed, beefed-up ARAG, perhaps based at Shrivenham, but answerable to, and funded by, the Cabinet Office. It must provide clear-sighted strategic advice for whoever is Prime Minister.

The objective for the SDR 2010 must not be to try to rediscover some new consensus. That is where the danger lies. It must define a new direction for our nation. That may be controversial, but it must be coherent. The SDR must recognise that stabilising the Government's finances will be the main effort in the new Parliament, but it must also define the interests and objectives which must not be compromised, despite that. It must conclude that a UK global role remains indispensable to our national interest and to the interests of global security. We must strive to maintain our position of power and influence in the long term, and we must end the era of drift, waste and overstretch.

5.57 pm

Mr. James Arbuthnot (North-East Hampshire) (Con): Thank you for calling me, Madam Deputy Speaker. The debate so far has contained some grand themes, none more so than those from my hon. Friend the Member for North Essex (Mr. Jenkin). His speech was superb. It is the sort of thing that I have come to expect from him on the Defence Committee.

I pay tribute to the Defence Committee and to the right hon. and hon. Members who, over time, have served on it. My hon. Friend's contribution has been outstanding. The Committee will enormously miss the contribution of my hon. Friend the Member for Salisbury (Robert Key), who has been on it since before most of us were born, and whose contribution has been utterly outstanding. He even questioned me back in the dim and distant past when I was a member of the Government, and it was a difficult thing to deal with.

I also pay tribute, if I may, to my hon. Friend the Member for Congleton (Ann Winterton), because her contributions over the years to defence debates have been extremely cogent, effective and influential in what they have brought about in defence thinking in the country.

With such grand themes going through the debate, I want to concentrate on one small matter and speak for not very long. It may seem a small matter to many people, but it encapsulates an extremely important issue. In my constituency there is an excellent local newspaper called the *Basingstoke Gazette*, and it has picked up a campaign that has been running since 1994 in relation to the pilots of the Chinook that crashed on the Mull of Kintyre.

I want to talk about that, because the rules at the time of the crash stated that

"only in cases in which there is absolutely no doubt whatsoever should deceased air crew be found negligent".

I take that to mean that all other possible causes of a crash should be eliminated before negligence can be found, and it is necessary to remember that it is essential to eliminate those causes in relation to both pilots. So if one of the pilots might have been negligent but the other not, and one could not tell which, it would be essential, under the rule that applied at the time, to clear both pilots.

[Mr. James Arbuthnot]

In Defence questions on 11 January, I therefore asked the Minister of State, Ministry of Defence, the hon. Member for Harlow (Bill Rammell), to whom these remarks are addressed, this question:

"As both pilots were found grossly negligent, how does the Minister know with absolutely no doubt whatever that both pilots agreed with the route and the course of action being taken?"

The Minister replied:

"Let me make it clear to the right hon. Gentleman, who I know has taken a detailed interest in this matter, that in all the publicity surrounding this case—and certainly that produced by the BBC in recent weeks—there has never been any evidence of technical failure." —[*Official Report*, 11 January 2010; Vol. 503, c. 399.]

That is an interesting and, I suggest, incorrect answer to a question that I had not actually posed. The question that I asked was: how do we know that both pilots agreed? If one pilot disagreed with the route or with the course of action, surely that pilot was not negligent. There was no cockpit voice recorder, there was no black box and we do not know the conversation between the pilots at the time. I have written to the Minister since Defence questions in January, and if he is able to answer that question now, I will be, of course, more than happy to give way to him. If he is able to answer it in his winding-up speech, of course that will be good, too.

But another possibility is that one of the pilots was not in the best of health in the final seconds of that flight. One might have had a heart attack. The fact that there was no evidence that either pilot had had a heart attack does not mean that there was evidence of an absence of a heart attack. I can say that, because the pathologist has written to me to point out that of course he cannot say that, with absolutely no doubt whatsoever, neither pilot had a heart attack. That is not the way in which doctors work.

Then there is the issue of technical malfunction. So many inquiries have taken place on this issue, but I shall quote one of them by the House of Lords Select Committee on Chinook ZD 756, which stated:

"Although no trace of any mechanical fault, other than a defective radar altimeter, was found by the Air Accidents Investigation Branch inspector, he was unable to dismiss the possibility of an undemanded flight control movement, an engine run up or a control jam having occurred. Any of these events could have had a serious effect upon the crew's ability to control the aircraft."

The fact that there was no evidence of that happening does not mean that there was evidence of it not happening.

All those things add up to one thing, and that is doubt. Therefore, I am grateful to Conservative Front Benchers for saying that, in the event of a Conservative election victory, there will be a review. I am grateful also to the Minister for saying that he is happy to meet me and the parents of the pilots at the end of this month, and I shall look forward to that.

Robert Key: My right hon. Friend's persistence on this matter is exemplary. Does he recall that ZD 756, the Chinook in the Mull of Kintyre crash, was refused flight clearance by engineers in my constituency at Boscombe Down, and that it was forcibly removed from his constituency at Odiham to Boscombe Down and, again without the consent of the controllers, from Boscombe Down to Northern Ireland in order to pick up the crew? That adds another huge layer of doubt about the decision to declare the two pilots negligent.

Mr. Arbuthnot: Indeed so. It seems to me a bit unfortunate that the informed views of Boscombe Down should be dismissed in the way that some later commentators within the Ministry of Defence have dismissed them. Suggestions that the software was positively dangerous, which have come out since that date, are not suggestions that I rely on as being true. I simply rely on those suggestions as giving rise to doubt, and only in those cases where there is no absolutely no doubt whatever can deceased air crew be found negligent.

Mr. Jenkin: I just wanted to place on the public record the fact that as shadow Secretary of State for Defence in, I think, 2002, I suggested to the Government a process for trying to resolve the matter. That process involved setting up an inquiry with a retired judge, a retired military officer from one of the other services and a suitably technically qualified person to review the decision in order to allow the Government in a dignified manner to come to a conclusion about these issues, which cannot be resolved in the House. Why does my right hon. Friend think that the Government have refused to take such a course of action?

Mr. Arbuthnot: Yes, my hon. Friend did make that suggestion. I do not know the answer to his question. I do not know why, essentially, senior Air Force officers have dug their heels in, but I hope that the Minister, when he comes to the meeting, will approach it with an open mind, because this is an issue of the greatest importance. It is an issue of fairness for those who have died in the service of their country, and there can be no more important matter for a Minister to deal with than that.

6.8 pm

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Defence is one of the most important areas of politics, and it ought to be debated fiercely, so I am astonished that the Opposition seem to have run out of steam. There seems to be no passion, fire, drive or urge for government, and we are only—what?—two months away from an election, so is today's debate an indication that the Opposition are preparing for another term of opposition? It certainly seems like that to me.

I shall take my theme from the hon. Member for Congleton (Ann Winterton), who earlier said that she believed that repetition is a good line to pursue. This may come as a surprise to some Members, but I want to raise the question of the aircraft carriers to try to establish the exact position of the relevant parties. In ascertaining the official Opposition's position, I have to take cognisance of what happened last week.

A group of convenors—shop stewards—from the country's shipyards came to the House to meet representatives of the two main Opposition parties. They met the Liberals, and normally I would tell people that there is no point meeting them, because they do not matter very much. There is talk of a hung Parliament, however, so on that occasion I thought that such a meeting might be appropriate. In the event that a coalition comes to pass, or there is a hung Parliament in which individual issues are voted on, Liberal support in those circumstances would be important, and the convenors went away gratified that the Liberals had made their position absolutely clear. They were supportive of the

aircraft carrier; they would be prepared to support it in the event of a hung Parliament; and the convenors very much welcomed that support.

However, the convenors were greatly depressed when they went to meet the hon. Member for Woodspring (Dr. Fox), who, speaking on behalf of the official Opposition, made it clear that the action that a Conservative Government would take on day one would be to examine the break clauses in the contract. Had he said to them, "I'm afraid I can't tell you anything because it will take us six months to set up a review, and then a year to have the review, and then maybe a couple of weeks at the end of that to decide on it, so it will be 18 months or so before we can come a decision", they would not have been happy with that, but they could have understood it, because that had been a relatively consistent position; indeed, it was the Liberals' position until they accepted the strength of the convenors' arguments. But no, the Conservatives said that on day one they would examine the break clauses—no one examines the break clauses on day one unless the intention might be to apply them on day two.

We are therefore absolutely certain that the Royal Navy and the aircraft carriers are safe with Labour or the Liberals but sunk with the Conservatives, or, indeed, with the nationalists, who would not build any aircraft carriers on their own.

Mr. Jenkin: Why was the Secretary of State not prepared to give the assurance that the hon. Gentleman has been seeking from the official Opposition?

Mr. Davidson: That was my next point, because I want to consider the Government's position.

Unlike the Opposition, when we look to the crystal ball, with the Government we can read the book and see what they have done. If the Government intended to cancel the aircraft carriers, they would have done so before now. They proceeded to order the carriers, and they have restructured the contract for the carriers. That was most helpful to the shipyards involved because, admittedly at additional cost, that decision has spun out the work over a longer period, which means that they will have no gap—no precipice—at the end of the aircraft carrier contract before further contracts arrive. As a result, there is no fear of the work force being dispersed or of enormous lay-offs and the like—lay-offs that would be almost impossible to reverse later on by trying to pull workers back. I recognise that the Government go through the motions in saying that everything is up for discussion in the defence review; none the less, it is perfectly clear from reading the book that they are committed to the carriers.

Mr. Quentin Davies: Let me make the Government's position absolutely clear. We are contractually, morally and politically committed to the aircraft carriers. On Friday, the Secretary of State took part in a steel-cutting process in Portsmouth, and I took part in a steel-cutting process at the A&P Tyne shipyard in Newcastle, to demonstrate our commitment to the carriers. I do not think it is possible for a Government to make their position plainer than that.

Mr. Davidson: I thank the Minister—that was very clear. Even the Liberals would agree that it was clear, because we find ourselves in agreement with them on this matter in seeking coalition support, and there is no point in trying to find arguments where none exist. We are therefore in a position whereby two parties are unequivocally supporting the aircraft carrier and one major party is not prepared to come off the fence.

I cannot help but think that the Tories do not really have their heart in this. This debate has been extremely lacklustre on the Conservative side of the House. There has been no fire or passion, and no indication at all that they are preparing for Government. The collapse in the polls is echoed by the collapse in Conservative morale and commitment to this cause. I can understand that some Conservative Members who are making their valedictory speeches may not wish to express enthusiasm, because there is not a great deal to be enthusiastic about on the Benches that they are departing from. However, the most noticeable aspect of this defence debate is that this is an Opposition who have run out of steam long before the general election—and long may that continue.

6.14 pm

Mark Pritchard (The Wrekin) (Con): The hon. Member for Glasgow, South-West (Mr. Davidson) may not have given an enthusiastic speech, but what I am enthusiastic about is our courageous armed forces who are fighting in Afghanistan as we speak. I would like to pay tribute to them, particularly all those who come from Shropshire, including regular and reserve forces. On this St. David's day, I pay particular tribute to all the fallen sons and fathers from Wales—many have given their lives in serving Her Majesty's armed forces. Part of the strength of the armed forces of the United Kingdom is that they represent all the regions, despite the best efforts of the current Government to dismantle regiments from different parts of the United Kingdom. That strength lies in the fact that many of these people come from different parts of our great nation.

I pay particular tribute to my hon. Friend the Member for Congleton (Ann Winterton) for her long and distinguished service in this House and her championing of our armed forces, particularly for their protection through improved fighting vehicles. I also pay tribute to my hon. Friend the Member for Salisbury (Robert Key) for his long and distinguished service in this House, including on the Defence Committee. Their contributions to these debates, which have always been enthusiastic, will be sorely missed. Perhaps what the hon. Member for Glasgow, South-West said might be a little more credible if we occasionally saw more Labour Back-Bench Members contributing to these debates. As ever, there is absolutely nobody on the Labour Back Benches, and we certainly see no Liberal Democrats—no surprise there.

Afghanistan is an important mission. It is important that the Government continue to make the case, with cross-party consensus, for this war. If we withdraw prematurely, it is absolutely certain that al-Qaeda and its affiliates and associates will regroup, set up their training camps, and bring their fight to the streets of Britain. Despite our being in this phoney election period, I wholeheartedly support the Prime Minister's comments on this war, because it is not a party political issue: it is a question of nation before party and national security before party politics. I endorse the Prime Minister's stance on that issue, as do our Conservative Front

[Mark Pritchard]

Benchers. It is important that we win in Afghanistan, whatever the definition of winning is—we will have to wait and see. Of course, there will eventually be a political settlement, but that cannot come until we weaken our enemies further, so we need to stay the course.

We also need to stay the course because it is important that NATO holds together. NATO is an imperfect military alliance, but it is the best alliance that we have. It has served us, pretty much, fairly well over the past 60 years, and we need to ensure that it is not undermined, as it would be if we withdrew prematurely from Afghanistan.

Linda Gilroy: Does the hon. Gentleman agree that the key to drawdown is a transition to Afghan responsibility, which will be welcomed by Afghans and the allies alike when it can happen?

Mark Pritchard: I completely agree with the hon. Lady. We all want to see in Afghanistan a stable, democratic Government who represent all the different tribal and ethnic groups within the country. That is the only way in which that Government will be sustainable in the long term.

We need to stay the course in Afghanistan, because if we do not, that will be a huge morale boost to jihadists and extremists across the world. We need to be resolute, firm and determined. We also need to recognise that wars are not run on an hourly news basis or according to a 24-hour news cycle. Every loss is a personal tragedy for the families involved; indeed, it is a national tragedy. However, there has never been a bloodless war, and it is absolutely wrong for some parts of the media to suggest, when we are losing men and women on the front line, that we are being defeated, or that we should withdraw, or that we should surrender. War is bloody, ugly, dirty and unpleasant, but the sacrifices that have been made in Afghanistan are a sign of the courage and resoluteness of our armed forces, and more importantly of their progress there, rather than anything to the contrary.

I pay tribute to armed forces from other parts of the world, such as those from Canada, which has suffered huge losses. I pay tribute to our Commonwealth cousins and hope that the people of Canada will similarly recognise the importance of staying the course in Afghanistan. I hope that the new Government of Prime Minister Harper will be able to make the case for ensuring that the troops remain beyond 2011.

Similarly, I pay tribute to those from the Netherlands who have fallen. The Netherlands is a close European partner and ally, and I hope that its Government will soon be reconstituted and that, more importantly, the case will be made for the importance of staying the course in Afghanistan. The troops from the Netherlands are professional and some of the best in the world, and we need them in Afghanistan. I hope that the people of the Netherlands will recognise that.

Mention has been made of improvised explosive devices. I hope that the Chinese Government will do far more to intervene with arms manufacturers that use the Chinese parts that form some IEDs, and to ensure that the border between Afghanistan and China is secure. It is a small border by comparison with those with other countries, but it nevertheless needs to be secure. We would not expect any help from Iran, of course, but we know that there is a direct link between Iranian parts and manufacturing and some of the IEDs that are being used. The use of such devices is cowardly, and it is another sign of the conventional victories of our armed forces over the past months and years.

I mentioned rest and recuperation earlier and stressed the need for the Government to work harder to ensure that air transport and air bridge movements are far more easily available to our armed forces. I know that weather plays a key part in some delays, but as I said, constituents have contacted me to say that many of them are caused by the age of the airframes. It is important that people on R and R can go back to their homes in the UK as quickly as possible rather than be stuck in Cyprus or elsewhere. The Secretary of State, who is not in his place at the moment, mentioned the deployment of the new C-17. I am sure that he got a bit confused earlier and knows that that is a cargo configuration rather than a troop transport configuration.

I wish briefly to mention Northern Ireland. The peace dividend for the whole UK and the whole island of Ireland has been huge, and we all want peace to continue and democracy and inward investment to thrive in Northern Ireland. I hope that neither the Government nor Her Majesty's Opposition, who are hopefully the future Government, will forget in the strategic defence review the importance of maintaining troops in Northern Ireland to support the excellent work of the Police Service of Northern Ireland.

Sir Nicholas Winterton (Macclesfield) (Con): My hon. Friend is ranging far and wide, and I commend what he is saying and find no reason to disagree with any of it. Will he perhaps mention a subject that has not been fully mentioned in the debate—the defence of the Falkland Islands? There is increased tension in the south Atlantic, and it is important that the sovereignty of those islands and the principle of self-determination are maintained.

Mark Pritchard: As always, my hon. Friend makes an excellent intervention. I commend his work over many years as chairman of the all-party group on the Falkland Islands. He is absolutely right, and it is disappointing that despite pressure at business questions last week, the Government have still not agreed to a debate on the Falkland Islands in Government time, which would send a clear signal to the struggling and failing Government of President Kirchner in Argentina. There also needs to be clarity about what new military commitment there may be to the Falkland Islands, again to send a strong signal to the Government of Argentina.

I will be disappointed if it is true that the White House and President Obama's Administration have taken a position of neutrality on the Falkland Islands—so much for the special relationship. It is a good job that the UK and the great people of this fine country have not taken a neutral position on issues on which America has called upon the UK to help. I hope that America will review its position. I also find it disappointing that some of our Caribbean partners and allies, and indeed Commonwealth cousins, have joined Latin American countries in suggesting that the sovereignty of the Falkland Islands and, most importantly, the self-determination of its people, are in question.

I am greatly honoured and privileged to have one of the Combat Stress units at Audley Court in my constituency, and I pay tribute to all the staff who do such a great job there. I am concerned, though, that there is potentially a mental health ticking time bomb in the armed forces unless the Government do more. I have been there many times and met people from conflicts going back to the Falklands war, and from Iraq I, Iraq II, Afghanistan and other conflicts. There is no doubt that unless there is early intervention, post-traumatic stress readily turns into post-traumatic stress disorder. The Government need to consider that, and they need to ensure that when they include the national health service in the future treatment of armed forces personnel and veterans, they do not somehow pass the buck. Yes, there needs to be partnership, but it needs to be partnership that works.

I have heard absolutely nothing from Defence Ministers about the Korean war, which is disappointing. They will know that this year is the 60th anniversary of its start, and that UK armed forces personnel fell in it. I had the great privilege of going to the 38th parallel two years ago, and I understand that there may well be a new memorial to commemorate the war. I hope that Ministers might be able to confirm that and underscore what this nation will do to recognise the Korean war veterans who did so much.

On that point, I hope that the Government will set out their view of how the nation's war memorials are to be cared for and looked after. I pay tribute to Shropshire council and Telford and Wrekin council, which have set out on their own to ensure that war memorials are looked after, but the Government—perhaps through the Department for Culture, Media and Sport—need to do far more, such as considering how national lottery and other funds can be used to ensure that our war memorials are keep in decent order to honour those who have fallen in the past.

The Government got it wrong on the Army Base Repair Organisation. Ministers wanted to lay off 900 people in my constituency. I intervened and said that the attrition of vehicles in Afghanistan and Iraq made it completely inappropriate to shut the organisation. It has remained open, and I am glad about that, but I am concerned that the operational efficiency programme set out in the pre-Budget report may raise question marks about not only ABRO but the Defence Storage and Distribution Agency, which is also in my constituency. Both organisations have excellent personnel who are committed and loyal, and I hope that the Government will not betray that loyalty and commitment.

Similarly, there is much concern among civilian and military personnel at RAF Cosford, in my constituency, that whoever wins the election, the deal has already been done with regard to the defence training review. It is a privatisation too far, but there is concern that it cannot be unravelled or reversed, and that armed forces personnel will suffer as a result.

I wish briefly to mention to Japan, which is a fine and wealthy nation, and we are grateful for its latest contribution of £5 billion to Afghanistan. However, we talk about emerging global threats, and it would be wonderful if there were a new debate in Japan about changing its constitution and perhaps playing a greater role in the security of the Asia-Pacific region. The case is similar with Australia. Australia's forces do a great job, and I pay tribute to Australian special forces and the country's fallen in Iraq and Afghanistan, but in an ideal world Australia would do more than it does, and might even have its own aircraft carrier, despite its small population and relatively small armed forces. However, we pay tribute to our Australian allies.

On cybersecurity, which the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) mentioned, I invite him to join the new all-party cybersecurity group, of which I have the honour to be chairman.

Finally, when our armed forces are fighting on the front line and showing courage, commitment and bravery in Afghanistan, and doing so much to ensure that democracy in that country continues, I hope they will not be denied their democratic right to vote in this year's general election.

6.31 pm

Mr. Gerald Howarth (Aldershot) (Con): The hon. Member for Glasgow, South-West (Mr. Davidson) suggested that this had been a lacklustre debate. I take issue with him, because the opening exchanges between my hon. Friend the Member for Woodspring (Dr. Fox)—as you know, Mr. Deputy Speaker, he has apologised because he is unable to be here for the winding-up speeches—and the Defence Secretary were spirited and feisty. In addition, of course, we have had five splendid contributions from Conservatives, none of which lacked any lustre whatever. Indeed, they were characterised by two splendid valedictories.

The first valedictory was from my hon. Friend the Member for Salisbury (Robert Key), who, as was pointed out, has given superb service to the Defence Committee, and indeed, once occupied my position as Opposition Defence spokesman at the Dispatch Box. I have been able to learn from him, although any mistakes are entirely my own. The second was from my hon. Friend the Member for Congleton (Ann Winterton), whom my hon. Friend the Member for North Essex (Mr. Jenkin) described as bringing a "freshness" to the debate. That is not entirely how I see it—she made her case with a stiletto-like performance on the need for armoured vehicle designs that are more likely to save lives than lose them, as she has done so effectively in the past, as has been acknowledged. Everyone in the official Opposition will miss my hon. Friends—although of course we will be in government by then—but we will look forward to their contributions from further afield. I am sure they will not hesitate to continue to give us advice.

There were three valedictories from the Government Benches, including one from the hon. Member for Newcastle upon Tyne, North (Mr. Henderson), who is a regular in defence debates. In my experience, he always produces some interesting comments and is a great contributor. If I may say so, in a spirit of cross-party unison, the whole House will miss his contributions to such debates.

Not a single Liberal Democrat Back Bencher made a contribution, but that is par for the course. They do not turn up for these debates. Presumably they are busy with pavement politics around the country. The hon. Member for Dunfermline and West Fife (Willie Rennie) did his best to hold the flag aloft, and was joined for a very short time by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell). He generally contributes to such debates, and we are sorry that we did not hear from him today.

[Mr. Gerald Howarth]

The hon. Member for Newcastle upon Tyne, North suggested that such debates should not be too partisan. I am sorry, but I think they need occasionally to be partisan. The idea that the Government have not been partisan is rather wide of the mark. I have a rather interesting leaflet, which I gather is circulating in South Ribble. It has the very non-partisan title of , "Vote Conservative And Destroy The Defence Industry." I can tell the Under-Secretary of State for Defence, the hon. Member for Grantham and Stamford (Mr. Davies), who is looking at me smugly from the Government Front Bench—before he makes his own valedictory and disappears—that that is a scurrilous leaflet. It says that:

"it is a bit worrying that the Conservatives, should they get elected, are looking to scrap a number of Defence Projects."

We are not looking to scrap a number of defence projects. We are looking to build a vibrant defence-industrial base in this country. However, we will have a proper defence review, from which nothing but the Trident successor will be exempted. The electors of South Ribble have a fantastic candidate in Lorraine Fullbrook, who I am sure will make a splendid job of representing them. Putting out lies on behalf of the Labour party will not help the Government's cause.

Angus Robertson: The hon. Gentleman is ruling out defence cuts under the Conservatives. Will he take this opportunity to rule out closure of important strategic assets, such as RAF Lossiemouth, RAF Kinloss and RAF Leuchars?

Mr. Howarth: We will have a defence review and all those things will be looked at. The question of force structures, as well as equipment, must be examined in that review, and that is what we will do.

Mr. Quentin Davies: Will the hon. Gentleman give way?

Mr. Howarth: I am afraid I will not give way to the Under-Secretary: he has not been here for the whole debate.

This debate is about the Government's record on defence, but some say that we are making a mistake in raising that aspect, and I must begin on a positive note. I readily accept that the Government have spent substantial sums on urgent operational requirements, with the result that there is at last some impressive equipment to support operations in Afghanistan. All who have had the privilege of going to Afghanistan have seen the Mastiff, the Ridgback and other items of equipment in theatre. However, I am bound to say that some of that equipment is belated. I raised the question of protective vehicles with a former Secretary of State. As my hon. Friend the Member for Congleton pointed out, the Government were slow in recognising the kind of equipment that was needed by our armed forces in the field.

In addition, there are some superb facilities at Camp Bastion. I want to put on the record—on behalf of all hon. Members, I hope—that the hospital at Camp Bastion is unquestionably one of the finest medical facilities anywhere in the world. It is a great morale boost to our armed forces to know that if they are injured, that equipment will be available to them and that that is where they will be treated. That is a good confidence-building measure.

However, that is not the complete picture. For the benefit of the record and the country, let me set out that complete picture. This is what has happened on the Government's watch: the number of frigates and destroyers has been cut from the 32 recommended in their own strategic defence review of 1998 to 23, and we have one ship patrolling the whole Atlantic ocean—*[Interruption.]* The Under-Secretary of State for Defence, the hon. Member for North Durham (Mr. Jones), asks what I would do, but the fact is that I am describing what we are likely to inherit. It is as well that the public should recognise the way in which this Government have run down our armed forces while fighting two wars. The public need to understand that that is what the incoming Government will inherit, and I am going to help them understand it.

One ship patrols the entire Atlantic ocean, and we have seen the effect of piracy in our sea lanes; attack submarines have been cut from 12 to eight; we are down to two aircraft carriers, with one effectively mothballed—it will not be restored to service for at least 18 months; and four infantry battalions have been cut, resulting in the overstretch with which all hon. Members are familiar. Cuts in TA training were reinstated only following pressure from the Opposition Benches: the Government were forced to change their mind and restore TA training.

As we heard from my hon. Friend the Member for Woodspring, £1:4 billion was cut from the helicopter programme in 2004 by the current Prime Minister, against all the advice—*[Interruption.]* It is fine the Secretary of State saying, "We're about to order new Chinooks." That is very welcome, but if that £1.4 billion had not been cut from the helicopter budget in 2004, those helicopters would be in service in Afghanistan today, supporting our armed forces.

Mr. Henderson: Will the hon. Gentleman give way?

Mr. Howarth: I will not at the moment, but I will try to do so later, time permitting.

Manpower shortages across all three services amount to 2,500. Vital defence research expenditure has been cut by 23 per cent. in the past three years. Future equipment depends on today's investment, and that investment is not there. Essential Nimrod reconnaissance capability will be progressively abandoned from next month. There is a £6 billion black hole in the procurement budget, thanks to a process described by the Government's own adviser, Bernard Gray, as

"sclerotic and resistant to change".

Severely wounded soldiers are having to go to court to secure proper compensation. So much for honouring the military covenant. I could go on, but I refer those who wish me to do so to successive reports from the Defence Committee, the Public Accounts Committee and the National Audit Office.

Mr. Henderson: The hon. Gentleman and I have talked about these issues outside the House for many years, and we did so a few weeks ago. As he knows, the audience, comprising industrialists in the defence industry from Britain and Europe, made it clear that they did not believe that the Conservatives would increase defence expenditure. The audience asked the very question that has been asked in the House today of the Conservatives. If they do not like these cuts and would reinstate them, what other cuts would they make?

Mr. Howarth: The hon. Gentleman will know that we are going to have a defence review, and I will talk about that in a moment.

Above all, as my hon. Friend the Member for Woodspring said, the Government failed, in the years of plenty, to fund their own SDR fully, creating a spending bow-wave of tsunami proportions. It is all very well the Secretary of State saying that the war has been funded by the reserve. That is not what he told this House on 15 December. He said:

"My decision to fund these enhancements"

the enhancements in Afghanistan—

"from the core defence programme reflects our determination to ensure that the Ministry of Defence is supporting the current campaign".—[*Official Report*, 15 December 2009; Vol. 502; c. 802.]

It is not true to say that the Government are funding this campaign out of the reserves. They are resorting to the core programme, which was never intended to be the case.

On any analysis, this country faces lean years. The cupboard is bare and our capacity to meet the unexpected almost non-existent. Military capabilities that we have regarded as essential are being wilfully surrendered. With a public sector borrowing requirement—or national overdraft—of £178,000 million, five times the current defence budget and 20 times the overdraft inherited by Margaret Thatcher in 1979, restoring the health of the public finances will be, and must be, our first priority.

The hon. Member for Newcastle upon Tyne, North said that it was difficult to predict the threat that we face, and he is right. Admiral Lord Boyce said in December 2008:

"The Government's hand-to-mouth, barely adequate servicing of today's wars pays no attention to the need to future-proof responsibility for tomorrow's conflicts—which are as unpredictable as all have been for the past 30 years."

The hon. Gentleman challenged me to set out our vision, so let me do so. The world is becoming a more unstable place, with known knowns—to use the language of Donald Rumsfeld—in Iran and North Korea; known unknowns in Russia and China, and possibly in the Falkland Islands, as my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) pointed out; and unknown unknowns in terms of energy security, population growth, climate change and, of course, the inexorable rise of violent Islamic fundamentalism. There is also, as has been mentioned, the threat of cyberwarfare. Against this international backdrop of unprecedented threats, what do the Government do? They bequeath their successor a broken society, a bankrupt economy, overstretched armed forces and a gaping black hole in the defence equipment programme. In the last dying days of this decaying Government, the Minister with responsibility for defence equipment and support is haring around the country signing up orders for major items of equipment just weeks ahead of a defence review which is intended by both sides to undertake a root-and-branch review of policy and force structures. Let me say to my hon. Friend the Member for North Essex that we need that review to establish the strategic concept of which he speaks.

Through all this gloom stands out one shining light, a beacon of success that rightly commands the universal respect of the people across the land and beyond our shores. It is called Her Majesty's armed forces. It is sustained in large part by Britain's world-class defence industry, which has to be maintained in order to secure operational sovereignty. For the benefit of the Porton Down constituents of my hon. Friend the Member for Salisbury, as well as my own constituents at QinetiQ, can say that I add them to that hall of fame.

If the United Kingdom wishes to retain the power to exercise influence in this uncertain world, we sacrifice those assets at our peril. For the UK to surrender its role in the world would have disastrous consequences—military, political and economic. Recovery of that role would take at least a generation, if it could ever be done. That implies exercising choice, and that is something that we shall have to decide once we have the findings of our SDR.

The current catastrophic state of affairs is the poisoned chalice about to be handed by this Government to the next. The Prime Minister stands condemned as the man who since 1997 has squandered a rich inheritance from the Conservative Party, and a man who has systematically starved the armed forces of the resources they require to do the job. No last-ditch attempt by him to pose as the soldier's friend will undo the damage that he has wilfully inflicted on this country. He has to go. And for the sake of the country, of our beleaguered armed forces and of their families, he should go now.

6.46 pm

The Minister for the Armed Forces (Bill Rammell): In large part, we have had a good and constructive debate, and despite the political hyperbole, there is a greater consensus on defence than is sometimes apparent. I wish to start, as did the Secretary of State, by paying tribute to our brave servicemen who have lost their lives in Afghanistan in recent days. They are Senior Aircraftman Luke Southgate of II Squadron RAF Regiment, Rifleman Martin Kinggett of 4th Battalion The Rifles, and Sergeant Paul Fox of 28 Engineer Regiment. We are enormously in their debt for their bravery, their dedication and their professionalism, and they are fundamentally serving our national interest.

The hon. Member for Woodspring (Dr. Fox) started the debate by saying that 9/11 had fundamentally changed the security environment in which we live, work and operate, and I agreed with him on that, but I did not agree with much else of what he said. He made the erroneous allegation that the Government have not matched those changes with funding. I could go through the record, including the 10 per cent. real-terms increase that the Government have delivered to defence over the past 12 and a half to 13 years, but for the Opposition's critique to carry conviction and credibility, they need to face up to the challenge that they are not committed to spending one penny extra on defence compared to this Government—

Mr. Bob Ainsworth: Probably less.

Bill Rammell: That is the truth. If the Opposition are committed to the same expenditure level, they could set out with clarity and conviction how they would spend the budget differently. Again, there is a deafening silence. As we observe the 26 per cent. poll lead that the Conservatives have mislaid, we see an underlying theme in defence and many other issues: their position does not add up. The general public want politicians who

[Bill Rammell]

will deliver criticism, but they also want a credible alternative. We have not had that from the Conservatives in defence or in many other areas.

There was not one word of critique of, or engagement with, the Green Paper that we launched a few weeks ago in the run up to the SDR. It covered the need to defend beyond the home front, the need for a comprehensive approach, the need for partnership with both the United States and the European Union, and the need for more flexible and adaptable armed forces. But on those critically important issues, which will inform the SDR in the early part of the next Parliament, we heard not a word of engagement from the shadow Secretary of State. To me, that suggests that we have not had a serious contribution towards that Green Paper and the SDR process.

Linda Gilroy: I might have missed this while I was out of the Chamber, but does my hon. Friend agree that on neither side of the House has anyone mentioned the role of civilians, such as cleaners, cooks, firefighters and logisticians? Will they, too, receive consideration in the Green Paper for the important role that they play and the important contribution that they have already made to the efficiency savings that I mentioned?

Bill Rammell: I wholeheartedly agree. There have been some frankly quite disgraceful attacks on the role and work of civilians in the Ministry of Defence over recent months. It is important that we place on record the belief of those in the military that they could not do the job that they do without the support of the civilians.

We then had an interesting debate, generated and led by my hon. Friend the Member for Glasgow, South-West (Mr. Davidson), who reported on the discussions between the shadow Secretary of State and the trade unions last week. What my hon. Friend said about the lack of clarity or detail from the Opposition about their commitment to the carriers was extremely forthcoming. Let me be clear that we expect the carriers to continue to be a tool that we need. That is why we have signed the contract and cut the steel. That is quite different from the hon. Member for Woodspring, who in this very debate offered no such reassurance and did not deny that he had discussed with union shop stewards his willingness to look at the break clauses on the first day of a Conservative Government.

Mr. Gerald Howarth: I am sorry, but the Government's position has now been clarified: they expect the carriers to be part of the programme. That is what we have said as well—that, on current plans and projections, we expect that to be the case—but unlike the Government, we are clear that there is no point in having a strategic defence review unless we are prepared to look at everything and put it all on the table. Are the Government now saying that the carriers will be exempt from their own review?

Bill Rammell: I have made the Government's position on the carriers very clear, but what the hon. Gentleman outlines is not consistent with what the shadow Secretary of State said to the trade unions last week: that on day one of a Conservative Government, they would start examining the break clauses, item by item. That is a very different position.

Mr. Davidson: Surely my hon. Friend was wrong when he said that there was very little difference between the two sides on many defence issues, because we can clearly see that the carriers and the Royal Navy are safe with Labour and sunk with the Conservatives.

Bill Rammell: I agree very much with my hon. Friend, who is an incredibly strong campaigner for his constituents and the carriers. The message that he puts forward is clear and precise.

Mr. Jenkin: Will the Minister give way?

Bill Rammell: I will make some progress, then I will give way.

The shadow Secretary of State also referred to the leaked report from the Chief of the General Staff, but he did not highlight the fact that, in that report, the Chief of the General Staff rightly said that

"soldiers feel increasingly well supported and resourced on operations,"

and praised the

"medical care in-theatre and in the UK".

The Chief of the General Staff rightly highlighted the challenge of supporting personnel between tours, but it is important that we look at those issues in their full context. To sum up the shadow Secretary of State's contribution, it was General Dannatt who, when he was appointed to the Conservative Front Bench, explained that he had been asked to contribute to defence matters because the Leader of the Opposition had told him that the defence team lacked expertise. Having listened to the shadow Secretary of State's speech, I can say that that expertise still seems sadly to be lacking.

The hon. Member for Moray (Angus Robertson), who leads for the Scottish nationalists, asked why the MOD had spent £4.3 billion less than the population-based apportionment of defence spending to Scotland over the past five years. I have to say—he and I have debated this before—that his analysis fundamentally misunderstands how defence operates. We operate on a United Kingdom basis—that is the most effective way to do it—not on a country-by-country basis.

The hon. Member for Dunfermline and West Fife (Willie Rennie), who leads for the Liberal Democrats, made several comments about the state of accommodation. Let me be clear—the Government have consistently been clear—that for decades there has been under-investment in the defence accommodation estate. This Government, through their commitments, are putting that right. Over the past two years we have upgraded the condition of 1,800 properties to the highest of the four standards. We are committed to upgrading a further 800 in this financial year, and 800 a year thereafter. This is not a Government who are speaking; this is a Government who are acting to improve the support to our military.

The hon. Gentleman also talked about Trident and nuclear disarmament. He gave scant credit to this Government's record on disarmament. We have reduced the explosive capability of our nuclear arsenal by 75 per cent. We have led the way internationally. We are rightly and objectively recognised as the most forward-leaning nuclear weapons state. To ignore that reality—the hon. Gentleman shakes his head—does not do him or his arguments any credit.

My hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) said that his speech in this debate might be his last. I pay tribute to the work that he has done, having occupied my post in the past, and to the significant contribution that he has made to defence matters. He rightly highlighted the dangers of an overtly party political and partisan approach to defence matters. Indeed, if we look at Afghanistan, the reality is that if the Conservatives had been in government since 2001, they would have acted little differently from how this party has acted, faced with that challenge. To suggest otherwise—to accentuate the difference, rather than highlighting common ground—risks undermining our mission in Afghanistan.

I also pay tribute to the hon. Member for Salisbury (Robert Key) for his dedicated commitment to defence over many years. Nevertheless, he criticised our stewardship of the military covenant. That was unjustified and wrong, if one looks at the service Command Paper, the doubling of compensation to the most seriously injured personnel and the improvements in accommodation, and at the free further and higher education. Those are not the actions of a Government who are resiling from their responsibilities and their commitment towards the armed forces.

My hon. Friend the Member for Plymouth, Sutton (Linda Gilroy), who has wide defence expertise and understanding, articulately outlined the improvements in the welfare package to service personnel that we have delivered, and for which I know she has argued.

The hon. Member for Congleton (Ann Winterton) asked about the Talisman system. Talisman is a route clearance system, and part of our solution to the problem of improvised explosive devices. It is being used in Afghanistan now and is at full operating capability, including in Operation Moshtarak. It is important to make that clear.

The hon. Member for North Essex (Mr. Jenkin) made an interesting and well-thought-out contribution, but I disagreed with him when he allied it with the hon. Lady's contribution, making the accusation that the Lisbon treaty would bring about a European Union army. That is absolutely not true; indeed, nothing could be further from the truth. The treaty makes it clear that defence provision will

"not prejudice the specific character of the security and defence policy of certain Member States".

It makes no more sense to talk about the common security and defence policy as a European army than it does to talk about NATO as a transatlantic army or the European Union as a world army.

Mr. Jenkin: Will the carriers will be included in a Labour defence review?

Bill Rammell: We have made our commitment to the carriers abundantly clear, most particularly through the signing and the starting of the contracts last week.

Let me answer the serious question that the right hon. Member for North-East Hampshire (Mr. Arbuthnot) asked—he knows that I am committed to meeting him and his constituents—about whether we could be sure that both pilots involved in the Chinook crashes agreed on the route and the course of action taken. It is clear that those pilots took over the route that was programmed and planned, and took responsibility. Once they were in flight, the critical factor in determining whether they continued to be of that view was the action of making the waypoint change on the navigation system. That demonstrates that they were fully in control of the aircraft at that point. The issue is serious, and I understand his concerns. I look forward to discussing it with him and his constituents at that meeting in the near future.

We have had a good debate. As I said, there is more that unites us on defence than divides us. We are doing the right thing, and this Government have a strong record on defence. We have made unparalleled investment, and we should take that forward and support our armed forces.

Question put (Standing Order No. 31(2)), That the original words stand part of the Question.

The House divided: Ayes 208, Noes 277.

Division No. 89] **[6.59 pm**

AYES

Afriyie, Adam	Duddridge, James
Ainsworth, Mr. Peter	Duncan, Alan
Alexander, Danny	Ellwood, Mr. Tobias
Amess, Mr. David	Evans, Mr. Nigel
Arbuthnot, rh Mr. James	Evennett, Mr. David
Atkinson, Mr. Peter	Fabricant, Michael
Bacon, Mr. Richard	Featherstone, Lynne
Baker, Norman	Field, Mr. Mark
Baldry, Tony	Foster, Mr. Don
Beith, rh Sir Alan	Francois, Mr. Mark
Bellingham, Mr. Henry	Fraser, Christopher
Benyon, Mr. Richard	Gale, Mr. Roger
Beresford, Sir Paul	Garnier, Mr. Edward
Binley, Mr. Brian	Gauke, Mr. David
Blunt, Mr. Crispin	Gibb, Mr. Nick
Bone, Mr. Peter	Gidley, Sandra
Boswell, Mr. Tim	Gillan, Mrs. Cheryl
Bottomley, Peter	Goodman, Mr. Paul
Brady, Mr. Graham	Goodwill, Mr. Robert
Brake, Tom	Gove, Michael
Brazier, Mr. Julian	Gray, Mr. James
Breed, Mr. Colin	Green, Damian
Brokenshire, James	Greening, Justine
Browne, Mr. Jeremy	Greenway, Mr. John
Browning, Angela	Grieve, Mr. Dominic
Bruce, rh Malcolm	Gummer, rh Mr. John
Burrowes, Mr. David	Hague, rh Mr. William
Burstow, Mr. Paul	Hammond, Mr. Philip
Burt, Alistair	Hammond, Stephen
Burt, Lorely	Hancock, Mr. Mike
Butterfill, Sir John	Harris, Dr. Evan
Cameron, rh Mr. David	Harvey, Nick
Campbell, rh Sir Menzies	Hayes, Mr. John
Carswell, Mr. Douglas	Heald, Mr. Oliver
Chope, Mr. Christopher	Heath, Mr. David
Clark, Greg	Hemming, John
Clarke, rh Mr. Kenneth	Hendry, Charles
Clegg, rh Mr. Nick	Herbert, Nick
Clifton-Brown, Mr. Geoffrey	Hogg, rh Mr. Douglas
Cormack, Sir Patrick	Hollobone, Mr. Philip
Cox, Mr. Geoffrey	Holloway, Mr. Adam
Crabb, Mr. Stephen	Holmes, Paul
Curry, rh Mr. David	Horwood, Martin
Davies, David T. C. (Monmouth)	Howard, rh Mr. Michael
	Howarth, David
Davies, Philip	Howarth, Mr. Gerald
Davis, rh David	Howell, John
Dorrell, rh Mr. Stephen	Huhne, Chris
Dorries, Nadine	Hunter, Mark

Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Opik, Lembit
Osborne, Mr. George
Paice, Mr. James
Penning, Mike
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Willis, Mr. Phil
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. Philip Dunne and
Mr. John Baron

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gardiner, Barry
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hanson, rh Mr. David
Harris, Mr. Tom
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mann, John

Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
David Wright and
Mr. Dave Watts

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)).

That the proposed words be there added.

Question agreed to.

Main Question, as amended, put and agreed to.

Resolved,

That this House expresses its continued support for HM armed forces personnel and their families; notes that over 440 service personnel have been killed on operations in Iraq and Afghanistan since 2001; pays tribute to their sacrifice; believes that the 1998 Strategic Defence Review (SDR) and the updates that followed the September 2001 attacks on the US have provided a robust policy foundation for the modernisation of Britain's armed forces that has enabled them to take on successfully the many challenges they have faced over the past decade, including the major operations in Iraq and Afghanistan; notes that the Ministry of Defence has brought into service 31 new ships, 63 new multi-role fast jets, six large transport aircraft and 171 new helicopters and provided the Army with a wide range of new equipment it has required to succeed on operations; recognises that the defence budget has grown by more than 10 per cent. in real terms since the SDR and that an additional £14 billion has been provided by the Reserve for operations in Iraq and Afghanistan; and welcomes the steps that have been taken substantially to improve support, medical and welfare services for the armed forces.'.

Prevention and Suppression of Terrorism

[Relevant document: The Ninth Report from the Joint Committee on Human Rights, Counter-Terrorism Policy and Human Rights (Sixteenth Report): Annual Renewal of Control Orders Legislation 2010, HC 395.]

7.15 pm

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): I beg to move,

That the draft Prevention of Terrorism Act 2005 (Continuance in Force of Sections 1 to 9) Order 2010, which was laid before this House on 1 February, be approved.

Mr. Deputy Speaker (Sir Alan Haselhurst): Will hon. Members please leave quickly and quietly, without having conversations that would be more appropriate outside the Chamber?

Mr. Hanson: The purpose of the order is to renew the Prevention of Terrorism Act 2005. Sections 1 to 9 of this Act automatically expire after one year, unless renewed by an order subject to affirmative resolution by both Houses. The effect of the order will be to maintain the powers set out under the 2005 Act until the end of 10 March 2011. This will allow us, as the House will be aware, to continue to use control orders to tackle what I still believe is a threat posed to the public by suspected terrorists whom we can neither prosecute nor deport.

It is important at the start of the debate to remember why control orders are indeed necessary and need to be put in place. In recent years, there have been a number of potential threats, significant potential terrorist attacks and attempted attacks on our country, and, indeed, on other countries across the world. Those attacks and proposed potential attacks undermine the very fabric of our society and our values, leading potentially to the indiscriminate murder of innocent people.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The Minister will be aware that concerns remain about the financial support provided to victims of terrorism as a result of overseas incidents. Will he take the opportunity to update the House on the Government's recent proposals and clarify whether they will apply in retrospect or start in January? A number of concerns have been raised by the families of people such as Will Pike, who was affected by terrorism in the Mumbai incident, and they are seeking urgent clarification on this very important issue.

Mr. Hanson: I am grateful to the hon. Gentleman for his contribution. I know that he takes a personal interest in this matter, and I appreciate that he has raised it not only today, but on previous occasions. In the Crime and Security Public Bill Committee last week, I tabled a provision, which was accepted by the Committee, to establish the compensation scheme with effect from 18 January 2010—the date of Second Reading. If both Houses approve and Royal Assent is agreed, the scheme will operate with effect from that date for any potential future terrorist attacks. We obviously hope that there will not be any such attacks, but the provision will operate from that date.

My right hon. Friends the Foreign Secretary and the Home Secretary are considering how to develop a scheme that will not be retrospective for events, but will certainly look at attacks that have taken place since 2002. They will establish whether any such schemes could be brought forward to help the victims who have ongoing disability or injury problems as a result of terrorist action. My right hon. Friends hope to bring forward proposals on that shortly, as I have said, but I am afraid that I am not in a position to deal any further with that particular point this evening.

Lembit Öpik (Montgomeryshire) (LD): I worked on the Northern Ireland brief for a decade, and every year I heard a justification for temporary measures. I had the sense that the Government were willing to introduce such measures, but almost never willing to repeal them. In what circumstances could we realistically expect the Minister to come to the Dispatch Box and say "We now propose a repeal"?

Mr. Hanson: We tabled the motion because there remains a serious terrorist threat to this country, and we believe that approval of the order will help the British people to lead their lives more safely.

About 11 individuals are currently subject to control orders, and only 40 or so have been subject to them since the start of the regime. We have to make a judgment, however, and our judgment is that the measure is necessary given the level of threat that exists. That level of threat remains real and serious, and since the last order was presented to the House, it has been independently assessed as being at an even higher level.

Several hon. Members *rose—*

Mr. Hanson: I will happily give way to my hon. Friends, if they wish to contribute rather than chuntering in the background.

Jeremy Corbyn (Islington, North) (Lab): I am not guilty of chuntering in the background; I have been listening intently to what the Minister is saying. Following the intervention by the hon. Member for Montgomeryshire (Lembit Öpik), will my right hon. Friend explain what elements of the current criminal law prevent us from dealing with danger, threats and criminal activities to such an extent that we must retain rather extraordinary orders, which a number of us believe fundamentally undermine many of our civil liberties?

Mr. Hanson: I know that my hon. Friend feels that he may not be able to support these measures with conviction. I will try to persuade him to vote otherwise, but I understand the reasons for his concern.

We have to look at the level of the threat and at the tools available. As I shall explain later, there are individuals, whom we have assessed through information, who remain a potential threat to the safety of my hon. Friend's citizens in Islington and my citizens in north Wales, who cannot be prosecuted because there is not enough evidence—although we believe them to be a threat—and whom we cannot deport, either because of the human rights record of the countries to which they might be deported or because they are British citizens. That judgment must be made. I accept that my hon. Friend may disagree—although I hope to persuade him not to—but the powers available to us are not sufficient to enable us to act in a way that would not potentially damage the security of the nation.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Is that not a fundamental contradiction? My right hon. Friend asserts that these people pose a threat, but then says that he has not enough evidence to prove it. Surely, in this country, people are innocent until proved guilty. If the Minister is so certain that these people pose a threat, why does he not press ahead and prosecute them? No one would argue with that.

Mr. Hanson: That might be a solution, if there were sufficient evidence. If there were sufficient evidence, we would prosecute. On occasion, sadly, we hold information but cannot obtain sufficient evidence to prosecute, although we know that the individuals concerned pose a potential threat. We have had to make a judgment, which the House may or may not support tonight, on whether that threat remains real and serious, and whether this power should be introduced.

We need to consider a range of issues. We need to consider how to police individuals in order to provide the necessary security; we need to prevent individuals from being radicalised in the first place; and we need to disrupt potential terrorist attacks. As I have said, our preferred approach when dealing with suspected terrorists is to consider how we can bring criminal convictions and undertake those convictions accordingly. Since 11 September 2001, we have undertaken 217 convictions for terrorism-related offences, and a further 29 defendants are awaiting trial as of 31 March 2009. That demonstrates not only that we are trying to prevent terrorism and disrupt terrorist activities and that we are retaining control orders for a relatively small number of individuals, but that we are proceeding with prosecutions, when we can.

Chris Huhne (Eastleigh) (LD): Surely it is exactly that successful record of prosecutions for terrorist offences that calls into question the need for these exceptionally draconian measures. The threshold test allows the Director of Public Prosecutions to proceed with a prosecution, even if the chances of success are less than 50 per cent. Why can we not rely on that flexibility, rather than introducing this measure?

Mr. Hanson: I can only repeat that when there is sufficient evidence, we will prosecute. As I have said, there have been 217 successful prosecutions to date. Sadly, however, in a small number of cases we cannot secure sufficient evidence, but know that the threat exists. In such cases, we have to place some restrictions on an individual's liberty in order to protect the liberty of the vast majority of people in this country.

Chris Huhne: The success rate of prosecution for terrorist offences is greater than 80 per cent., yet the DPP can proceed with a prosecution even if the chance of success is lower than 50 per cent. There is an enormous margin that the DPP and the Minister are not using. Why not dispense with these draconian control orders, and use that margin instead?

Mr. Hanson: We shall be debating a range of judgments this evening. The House must decide whether it supports the Government's judgment that this measure is necessary to deal with a small number of individuals in whose cases the test of prosecution has not been met but the potential threat remains, and whom we cannot deport.

Lynne Jones (Birmingham, Selly Oak) (Lab): If it really is not possible to prosecute such people—although the use of intercept evidence ought to be an option—why not simply put them under surveillance? Given the small number involved, and the cost of the legislation and possible litigation, would that not be cheaper and more effective, especially as a number of those subject to control orders have absconded?

Mr. Hanson: My hon. Friend has raised three issues. We are, in fact, considering intercept evidence. My hon. Friend will be aware that a group of Privy Counsellors have presented a report on the subject to the Government, and we intend to respond to it before the general election—which, as all Members know, will take place in short order. *[Interruption.]* I would love to give more details, but I do not have the power to do so. I cannot comment on the actual date, because it is not in my gift.

My hon. Friend has suggested that we look into the potential cost of surveillance. I do not consider that surveillance would be sufficient to maintain the level of protection that I believe we need. The control orders allow for a number of restrictions ranging from curfew to not using particular equipment. It is not simply a question of surveillance.

Mr. Andrew Dismore (Hendon) (Lab): As my right hon. Friend knows, following the case of AF v. the Secretary of State for the Home Department a control order was lifted from the individual concerned. Control orders were lifted from two others as well. Presumably those people are under surveillance as an alternative to control orders, without significant jeopardy to the public. Given that over three years £13 million has been spent primarily on lawyers and bureaucracy, and given that control orders now apply to only 11 people, £1 million would go an awfully long way towards providing surveillance for the individuals concerned. Surely it would be better to spend the money on police officers and the Security Service than on lawyers and bureaucrats.

Mr. Hanson: My hon. Friend knows that a large proportion of the costs of control orders to date have been spent on defending legal challenges. The day-to-day costs of running control orders are nowhere near the investment that would be required to maintain that level of surveillance.

Several hon. Members *rose—*

Mr. Hanson: I am happy to spend the next hour and a half discussing these matters, but I am conscious that the debate is limited to that time, and I want other Members to have their say in due course. However, I give way to my hon. Friend the Member for Islington, North (Jeremy Corbyn).

Jeremy Corbyn: I thank the Minister for giving way again. He has been generous, but I think that this is an important discussion.

Many Members on both sides of the House represent inner urban areas containing a multi-ethnic population, including a large Muslim population. We have all worked hard to establish a sense of inclusion in that community, but the perception of executive control and possible detention has a seriously corrosive effect on community relations, and on trust between the local communities

[Jeremy Corbyn]

and the police. I know that the Minister's Department is concerned about that. What studies have been carried out on the issue?

Mr. Hanson: We are constantly monitoring the impact on community confidence of a range of Government actions. Through the Prevent and Contest agendas, we are looking at how we can ensure that we both protect communities across the board and maintain the confidence of communities with a very high Muslim population, because that is important in helping us protect the general public, including people of the Muslim faith, from indiscriminate attack from terrorist activity.

Mr. David Heath (Somerton and Frome) (LD) *rose—*

Lembit Öpik *rose—*

Mr. Hanson: I shall give way to both colleagues, but then I would like to make some progress, because I want the other Front-Bench spokespeople to have their say and because I will have the chance to respond in due course.

Mr. Heath: I am very grateful to the Minister for giving way; he is helping the debate by allowing these interventions. He has responded to the point made by my hon. Friend the Member for Eastleigh (Chris Huhne) that the threshold for prosecution has been brought down, but it has not yet been mentioned that, in addition to that, this Parliament has granted to the Government a broad palette of lower order offences, such as acts preparatory to terrorism and glorification. Given that panoply of new legislation on terrorism, is the Minister really saying there might be circumstances in which Parliament has not granted a sufficient breadth of offences and sufficient latitude in prosecution policy to allow him to trust the courts to do the job that, at the moment, he is reserving to the Executive?

Mr. Hanson: Let me remind the hon. Gentleman that it is not only the Executive: all these orders have to be judicially approved, and all of them are subject to review by Lord Carlile. It is therefore not true to say this is simply a matter for the Executive, because judicial involvement is important. I accept that the hon. Gentleman has very strong views on these issues, but I nevertheless believe that these provisions are a valuable tool in helping the Government to protect the public from terrorist activity.

Lembit Öpik: I promise not to intervene on the Minister again, but I remind him that two of my constituents were charged with assisting terrorism, even though it was patently obvious to me that the charges were ludicrous. The Government spent a great deal of money on the case. I had to go and testify in their defence myself, and they were found innocent. If the Government can commit such enormous resources through the legal process against people who are innocent, how can the Minister possibly justify the randomness of having these control orders as a convenient aside?

Mr. Hanson: I am unclear whether the hon. Gentleman's constituents were subject to potential control orders, but if they were just charged with terrorist offences and found innocent, the matter took place through the legal framework and was ultimately tested in a court of law.

The position with regard to control orders is that, following the recent Lords judgment, we have to disclose portions of the evidence that we hold against individuals to their advocates, and ultimately that still has to be tested by judicial oversight. The fact of the matter is, however, that we have made the judgment that in certain circumstances the threat is so severe that this regime should be continued—although it is clear from the contributions to the debate so far that that will be tested by this House, and it will also go to another place later this week.

My contention is that we should continue with this regime, and we need to look at the reasons for that. We are looking at the Prevent programme, disruption, policing and the use of intercept evidence, and we are considering how ways of supporting the forces of law and order can be used to maintain a reduction in the terrorist threat. I believe that if almost any Member were the Minister with responsibility for this and they received advice saying, "We can't prosecute, but we believe this individual is involved in activity that is detrimental to their fellow citizens," they would take the same action that the Government have taken today. I believe that almost all Members would, if faced with the decisions we have to take, support the use of this order.

Mr. David Winnick (Walsall, North) (Lab): I am grateful to my right hon. Friend for being so generous in giving way; indeed, it would be horrifying if there were hardly any interventions in a debate on such a subject. While recognising the dilemma that he has just spoken about and having no doubt there remains an acute terrorist danger—not a single person present either in the Chamber or outside would challenge that—can we take it that when this order is approved, as it most certainly will be later, if we still have a Labour Government next year there will be a genuine attempt to find alternatives to what most of us consider to be a very unhappy situation in respect of control orders, which are an infringement of traditional British liberties?

Mr. Hanson: One of the reasons why we have an annual debate on these orders is so that we can assess annually whether this order is required, and, if so, whether it is required in the same form as 12 months previously. I have to say to my hon. Friend that one of the things that has changed in the past 12 months has been the level of the threat to the United Kingdom as a whole, and therefore we believe that this order is still required. There are still 11 individuals currently on control orders; we believe that this is a necessary power; and I hope that I have convinced Members on both sides of the House of the case for it.

We want to improve our ability to prosecute and deport; we want to ensure that, where we can, we take action through the courts; we want to ensure successful prosecutions; we want to ensure deportations; and we want to ensure effective policing. Sadly, however, there is a small group of suspected terrorists whom we cannot prosecute or deport, and these control orders are intended to protect the public from the risk posed by such individuals. I must also say to those hon. Friends who have concerns on these matters that these control orders are applied irrespective of nationality, ethnicity or religion; decisions on them are based on an assessment of the threat an individual poses to citizens of this country—they are based on national security considerations.

Over the past five years, these orders have proved to be a valuable tool in the fight against terrorism. As I have said, they are not imposed arbitrarily—a judge must agree that they are necessary and proportionate. Neither are they imposed widely—there are currently only 11 of them in force, and only 46 individuals have ever been subject to a control order.

As hon. Members know, over the past year there have been developments in another place relating to the judgment on AF and others and in the light of the Strasbourg judgment on A and others, where the Law Lords concluded that in order for control order proceedings to be compatible with article 6 of the European convention on human rights, the controlled person must be given sufficient information about the allegations against him or her to enable him or her to give effective instructions to the special advocate. That has caused the Government some difficulty; it has raised some concerns to which we have had to respond, but we believe that the balance has to be in favour of protecting the public from terrorism perpetrated by such individuals, and we would not disclose sensitive information that would harm national security. Our view is that the control order regime remains viable. Although there are difficulties, we will continue to use this regime if both Houses support it.

John McDonnell (Hayes and Harlington) (Lab): May I just ask a simple question? Why has relocation been increasingly used as part of the control order regime?

Mr. Hanson: Relocation is an important issue. I accept and understand that that causes difficulties. The key issue, however, is that sometimes an individual is subject to a control order simply because they remain a threat because of their geographical location. If we move them from that geographical location, the threat they pose diminishes and in due course that helps them to have more positive inputs in their life and, potentially, to return to their native area having been deradicalised. Because of that, we occasionally move people from their home areas. We offer support for that, however. If the orders are approved, relocation will remain one of the tools that we might use so that this regime has successful outcomes.

Harry Cohen (Leyton and Wanstead) (Lab): I was not clear about the point that the Minister was making before my hon. Friend's intervention. In the other place, there was discussion of the person subject to the control order having enough information for their advocate to make representations, and the Minister then talked about national security, saying that it was difficult for the Government, but that national security considerations would apply. Do the Government accept the decision of the other place, which would mean that everybody would get enough information about what they are being charged with, or not?

Mr. Hanson: We have to ensure that we examine how we comply with those judgments. We supply information relating to the evidence as far as we can, but there may be occasions when to do so would compromise wider national security issues, so we need to make judgments about that, too. I believe that the control order regime that I have brought before the House today is compliant with human rights, will meet the requirements of another place and the Law Lords, and will meet our obligations under the European convention on human rights and in respect of the Joint Committee on Human Rights, which is chaired by my hon. Friend the Member for Hendon (Mr. Dismore).

Mr. Dismore *indicated dissent.*

Mr. Hanson: There is an honest disagreement between us, but I believe that this regime meets the human rights obligations that this Government have proudly committed themselves to achieving.

So far under the order only two control orders have been revoked on article 6 grounds without being replaced by new orders. The High Court has indeed upheld four control orders since the House of Lords judgment, following proceedings that were compliant with the test laid down in the cases of AF and others. The Government therefore remain of the view that the regime remains viable. Lord Carlile's most recent report on control orders reaches the same conclusion, and he will continue to monitor our activity accordingly. *[Interruption.]* I did not catch what the right hon. Member for Haltemprice and Howden (David Davis) said, but I am sure it was complimentary.

Lord Carlile's 2009 report made clear his view that the control order regime was "largely effective". His 2010 report examined individual cases in greater detail and he has concluded that three orders have

"substantially reduced the present danger"

posed by individuals. Indeed, in one case he concluded that the control order is "an effective intervention."

I accept that people have concerns and real objections, and that the rest of this debate will undoubtedly involve the Opposition, the Liberal Democrats and Labour Back Benchers who feel strongly about these issues rehearsing those objections effectively and strongly. However, I maintain that the orders are a necessary part of our response to terrorism. I again cite Lord Carlile, who has said that

"it is my view and advice that abandoning the control orders system entirely would have a damaging effect on national security. There is no better means of dealing with the serious and continuing risk posed by some individuals."

He is overseeing this system, so judicial oversight is in place. His view is shared by the intelligence services commissioner, the director general of the Security Service and by my right hon. Friend the Home Secretary. I wish to place on record my thanks to Lord Carlile for this report and to commend the order to the House.

7.43 pm

Mr. Crispin Blunt (Reigate) (Con): I wish to begin by sharing the Minister's analysis that there can be no complacency about the nature of the terrorist threat. Nobody on the Conservative Benches underestimates the threat we face. The fact that the joint terrorism analysis centre raised the threat level from "substantial" to "severe" on 22 January—although that was announced by the Home Secretary, it was an operational assessment in which Ministers played no part—should bring home to us the need for constant vigilance. I also wish to add my tribute to the efforts of the police and security services, who work tirelessly on our behalf. In the past year, I have been privileged to meet a great many security professionals and public servants, and I have been constantly impressed by the calm and determined manner in which they carry out their responsibilities.

[Mr. Crispin Blunt]

Today, the Government seek renewal of the control orders legislation for the fifth successive year, and it is for elected representatives to consider that narrow aspect of the legal framework in which those public servants, dedicated to our security can operate. Unlike those involved in the day-to-day work of pursuing terrorists, we in this House must make our deliberations without the benefit of secret intelligence. With the exception of a handful of Ministers, former Ministers and the members of the Intelligence and Security Committee, the vast majority of us will vote today without having seen the evidence on the nature of the threat—evidence that is provided by the intelligence that is presented to the Home Secretary before he seeks renewal of these extraordinary powers.

Jeremy Corbyn: I recognise what the hon. Gentleman is saying about the atmosphere in which we vote and the information that we do or do not have. However, I am sure that he recognises that a fundamental objection to what is proposed under the control orders is that they bypass an independent judiciary. In effect, they hand Executive powers to Ministers to bypass a normal independent judicial system.

Mr. Blunt: Yes, I recognise that, and we warned of that from this Dispatch Box when the Prevention of Terrorism Act 2005 was introduced. I suspect that the hon. Gentleman was in the Lobby with us trying to prevent those powers from being enacted. All the legal difficulties that were foreseen at that time have come to pass—that picks up on one of the points that the hon. Member for Hendon (Mr. Dismore) raised about the costs of these orders, to which I shall return later.

We ought to recognise that the fact that most of us are denied the entire picture makes the decision-making process much more difficult. On this issue, I am sure that most of us would be predisposed to trust our Government, but the unhappy record of the past decade, ranging from the dodgy dossier through to the naked priority of political positioning in the debates on 90 and 42-days' pre-charge detention, has meant that this Government have squandered people's trust on security issues with the same abandon as our principal ally squandered the unimpeachable moral and legal high ground after it was attacked by the forces of mediaeval religious fundamentalism as represented by al-Qaeda. We examine these orders as the United States of America is setting out on the long process of trying to pick up the pieces of what has been a disaster for western liberal values—this is a disaster in whose costs we share and in which our present Government are wretchedly implicated.

We are asked to conclude that although control orders are flawed, practically highly problematic, potentially damaging to community relations, extortionately expensive and legally doubtful, they remain necessary. Like the Minister, I am sure that this evening we will hear again the powerful arguments against control orders in principle—indeed, we have already heard some of them in the interventions on the Minister and me.

In the corresponding debate last year, the right hon. Member for Leicester, East (Keith Vaz) was kind enough to describe my speech as a "careful critique" filled with "passion", and he noted the surreal situation of a debate in which Member after Member criticises Government policy before going on to vote for it. Well, if he were to look back at the record, he will note that last year I was not with him in the Aye Lobby. However, he made a valid point and I want to make clear from the outset my party's position on control orders. We believe that the control order regime—I use English understatement here—is practically problematic and unjust, and we want to replace the system in a manner consistent with protecting the security of our citizens from both the immediate threat and the long-term threat, which will be shaped by how we manage today's threat.

If a Conservative Government were to be elected, we would instigate a full review of the control order regime within a proper consolidation of this Government's counter-terrorist legislation. Following its consolidation in 2000, that legislation has received a decade's worth of incremental additions, so rationalisation is overdue. The replacement of this control order system should properly be part of a comprehensive overhaul of the existing legislation that sits in the eight counter-terrorism Acts brought into law in the past decade. It is matter of regret that the former Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke), was not able to introduce the consolidation Bill he promised when he said that he planned for

"a draft Bill that takes into account all the work that I have laid out, to be published in the first half of 2007 for pre-legislative scrutiny."—[*Official Report*, 2 February 2006; Vol. 442, c. 479.]

Part of the Government's proposition is that there is no quick fix to the problems that would be posed by control orders being scrapped, and that it would be irresponsible to remove them without alternative measures being in place.

David Davis (Haltemprice and Howden) (Con): My right hon. Friend has talked about the problems of high principle with this issue and he is now discussing the legal problems, but I should like to draw his attention to one simple practical point. We were led to believe that thousands of people would be subject to these control orders when the legislation went through the House in 2005, but that has not turned out to be the case. Some 45 people have been subject to such orders and of those 45, seven have absconded. One would think that seriously dangerous al-Qaeda terrorists would be the ones to abscond, which indicates that this regime is not just flawed, but totally useless.

Mr. Blunt: I am grateful to my right hon. Friend for generously promoting me to the Privy Council, which is, of course, not correct. It is impossible for us to come to the same conclusion as he has done, and in such absolute terms as he has presented it, but, of course, it is now possible for us to conduct that assessment with new information. Let me go on to explain how we want to conduct a review and outline the potential replacement of the control order regime.

Chris Huhne: The hon. Gentleman is making the point that he needs time to assess these matters, but may I point out to him that his colleague, the hon. Member for Newark (Patrick Mercer), said in 2007, when he was the shadow security spokesperson, that those on the Conservative Benches would not support another renewal unless the regime was substantially improved? Let me quote him.

"we will support the extension with great reluctance, but we must put the Government on notice that, in view of Lord Carlile's latest report, we will not be able to sustain our position this time next year."—[*Official Report*, 22 February 2007; Vol. 457, c. 443.]

Year after year, we have heard that claim. When are the Conservatives finally going to draw the conclusions from their impeccable logic and decide to vote with us against these infernally illiberal measures?

Mr. Blunt: If the hon. Gentleman can restrain himself, I shall now explain the circumstances in which we propose to deal with the orders. We are now very close to having the opportunity to achieve a considered process, so the balance of argument has changed. It now runs strongly against our seeking to unpick the piecemeal and scattergun laws, introduced in an unfocused and unreflective manner, that govern counter-terrorism policy. For that reason, I shall ask my right hon. and hon. Friends to abstain this evening. As a party that aspires to have responsibilities in this matter and that might be quite close to getting them, we believe in taking a responsible approach. Our direction of travel is clear, a point reinforced by the quotation from my hon. Friend the Member for Newark (Patrick Mercer).

If the electorate charge the Conservative party with forming a new Administration, we will want to send a clear signal that we do not propose to defend our nation's values by abandoning them. As an important signal of that we will certainly seek a replacement for this construct of control orders, but we do not intend for that replacement to be introduced in a rush or in a piecemeal fashion. It is our plan to use the first parliamentary Session of any new Administration to prepare the work for consolidation and reform, including that of control orders. When that work is complete, we will hope to introduce a consolidation and reform measure in the 2011-12 Session but, like every other piece of legislation, it will have to win its place in the parliamentary timetable against all the other competing priorities. However, I see no harm in explaining our objectives now so that the House can understand the context in which we will seek to rid ourselves of these powers.

Having taken into account the double uncertainty of the Conservatives' winning a majority and the new Prime Minister's asking me to continue with these responsibilities—I console myself that some academic study has revealed that 60 per cent. of shadow Ministers make such a transition in practice—we should not wholly discount the possibility that I might be back here in a year's time, in the Minister's place, with all the intelligence now at his disposal, making a case for a final renewal of these powers before they are overtaken by a wider review of all counter-terrorist powers. If that is the case, I wonder how many of those who will support these orders tonight will have reversed their views if they are then occupying the Opposition Benches.

Having made clear my party's position on how we want to reconsider the current measures, I want briefly to set out why, in the absence of a review of all powers, we cannot support the renewal of control orders tonight and to consider some of the alternative options that should form the basis of a review of the regime. As was the case last year, I anticipate that the consensus reached by the House will be that, to quote the then Home Office Minister, the hon. Member for Gedling (Mr. Coaker),

"nobody is in favour of having control orders if we could possibly do without them".—[*Official Report*, 3 March 2009; Vol. 488, c. 735.]

That view has strengthened since the Minister made that observation a year ago.

In March last year, three men under control orders—AF, AN and AE—challenged the legality of the orders to which they were subject on the ground that their right to a fair hearing had been compromised

"by reason of the reliance by the judge making the order upon material received in closed hearing the nature of which was not disclosed to the appellant."

That, as the Minister has told us, was declared unlawful under article 6 of the European convention on human rights—a view that was upheld by the Law Lords in June of last year. In the light of that judgment, the Government reviewed the 15 control order cases and in one case the order was revoked rather than further information being allowed to be disclosed. According to the noble Lord West, those no longer subject to an order will be placed under surveillance in the same manner as the 2,000 or so people currently considered a risk by the Security Service. That prompts a question about the merits of a regime that places expensive and cumbersome restrictions on 11 individuals while carrying out alternative forms of surveillance on 2,000.

Most worryingly, the Government have built the regime in order to place restrictions on a tiny number of individuals who they say pose a significant threat. Yet, as my right hon. Friend the Member for Haltemprice and Howden (David Davis) made clear in his intervention, seven of those very dangerous people have absconded—and some have vanished. How can it be that, the last time the director of the Security Service gave a public number, it was assessed that there were some 2,000 individuals in the UK who were considered a threat and on whom, to quote Lord West,

"we are keeping varying close eyes",

yet, of the handful of individuals deemed so dangerous that they are subjected to administrative detention in the form of a control order, seven have absconded? In his evidence to the Select Committee on Home Affairs, Sir Ken Macdonald went even further, calling control orders "a mistake" and stating that

"the reality of the control order regime as it exists...is that it does not work",

before concluding that they have

"brought our system of government into disrepute".

So, the Ministers who oversee control orders recognise that they are flawed and would rather be rid of them. Legal experts, including of course the judges who have so undermined the legality of control orders, think that they should go. This year, the Home Affairs Committee joined the growing number who have stated categorically that control orders are ineffective and legally dubious. I share the conclusions of the Committee when it says that

"it is fundamentally wrong to deprive individuals of their liberty without revealing why."

There is no pledge to take steps to replace control orders and no undertaking to find an alternative that can keep us safe. Instead, the Minister for Policing, Crime and Counter-Terrorism is guilty of "institutional inertia" and, to quote again from the Select Committee's report, he is prepared to settle for

"sub-optimal solutions, rather than proactively reforming to meet ever-changing threats."

It is clear, too, that the costs of control orders are spiralling. The Minister declined to answer a written question I put to him on the cost of the control order

[Mr. Blunt]

review group because it would be too expensive to answer—I wonder whether he would care to share with us now a rough and ready estimate of that cost. It is clear that aside from the costs to individual police forces who have responsibility for controlees, the legal costs alone are prodigious and are likely to continue to rise. More than £1.5 million were paid out in 2006-7, rising to over £1.8 million in 2008-09. Since 2006, the total cost in legal fees alone to the taxpayer has been some £8.6 million. It is perhaps surprising how many lawyers are opposed to control orders. Throw in the costs accrued by the Legal Services Commission and that figure reaches more than £10.5 million. Added to those figures are the growing costs claimed against the Government by the controlees. Lord West insists that control orders remain a means of managing the threat "at a sensible cost", yet no Minister is prepared to come clean on the overall costs of what is clearly an astronomically expensive way of detaining people without charging them.

So, it is clear that the status quo is unworkable and must be improved. How are we to achieve this? Again, the consensus seems clear. We have to find a means to bring admissible evidence against individuals to court. The independent reviewer Lord Carlile, in his most recent report, writes of one controlee that he is

"a dangerous terrorist who would re-engage with terrorism the moment he could"

whereas another is

"assessed as having been trained abroad in terrorist activity, and to have been involved in considerable terrorist planning and facilitation in the UK."

To repeat the point made by the hon. Member for Somerton and Frome (Mr. Heath), who is no longer in his place, one has to wonder whether those cases have been reviewed in the light of the Counter-Terrorism Act 2008, which made such training abroad an offence. The picture painted for us is that even with all the caveats there appears to be a fairly significant intelligence footprint and it is hardly surprising that there are growing demands that if the intelligence is that reliable, there should be a means of presenting some of it in admissible form.

On the issue of intercept as evidence, it looks again as though "institutional inertia" is preventing any real progress. Time and again Ministers, lawyers and the independent reviewer reiterate their position that they do not oppose intercept in principle, but progress remains painfully slow. The Director of Public Prosecutions is the latest such expert. He has stated:

"Evidence obtained by interception would be of benefit to prosecution"

in respect of terrorism.

The independent reviewer has repeatedly said that he is not opposed in principle to the admissibility of intercept. In December last year, the Home Secretary reported on the fact that initial findings showed that the use of intercept would not be "legally viable". I share his view that that is "disappointing", and I hope that when he reports to the House ahead of the Easter recess on the three new work streams that are to be considered as part of the Chilcot review, he will have better news to report.

Mr. Hanson rose—

Mr. Blunt: Perhaps we might get that news now.

Mr. Hanson: The hon. Gentleman will know that there is an ongoing review following the Privy Council's examination of this matter. I hope that he will also know that in the original Privy Council report, the review by independent senior criminal counsel of nine current and former control order cases concluded that the introduction of intercept as evidence would not have enabled a prosecution to be brought in any of those cases. So, although it is an important issue to examine, it would not be a panacea in terms of securing convictions in any such cases.

Mr. Blunt: As the Minister well knows, there are far wider arguments than those regarding control orders about the use of intercept as evidence. We should at least consider explicitly revisiting the terms of the Chilcot review, particularly regarding the requirement for intercept as evidence to be operationally workable, because such conditions might be too onerous to achieve the desired outcome—an outcome that is in line with our core values as a parliamentary democracy operating under the rule of law. I hope that a review of those operational requirements is now taking place implicitly. Without access to the intelligence and to information about the methods, it is difficult to draw a considered conclusion on intercept, but I want to take this opportunity to signal that we remain of the view that the potential benefits are so substantial that serious work must continue to be undertaken about its possible use.

David Davis: May I ask my hon. Friend to look again at the public dimension of the intercept review? What was said was that a Finnish case had introduced a new element to the matter that made things very difficult. I have looked at that case, in which the European Court of Human Rights intervened, entirely properly, because a grotesque injustice was being administered by the Finnish authorities—something that I hope that we would not do. As a result, the arguments against intercept that were marshalled publicly were totally wrong.

Mr. Blunt: I am grateful to my right hon. Friend for drawing my attention to that point. It is appropriate to recognise the substantial debt that the House owes to him for the work that he has done, both when he was the shadow Home Secretary and since, to champion the values and liberties of us all.

Finally, I would like to finish on a more consensual note, of which my right hon. Friend may or may not approve. Putting aside our arguments over the legislative and political response to the terrorist threat, which have produced some of the most substantial and impressive parliamentary events in what has otherwise been a dismal Parliament, it is appropriate to recognise the administrative work that has been done to help to provide security for our citizens. Our current national security strategy has its faults, but, overall, the conception of the Contest framework and the establishment and administration of the office for security and counter-terrorism in the Home Office have been widely recognised as successful and those models are now being widely copied around the world. Although it is invidious to identify individuals, and I am sure that they would not thank me for doing so, in the privacy of a debate in the House of Commons I want to recognise and acknowledge

the debt that our nation owes to Sir David Omand for the conception of today's security policy and to Charles Farr, who leads the office for security and counter-terrorism in such an effective and widely admired way.

That successful administration also requires a political lead and in what is probably the last time that we will debate terrorism measures before Dissolution, the contribution of the right hon. Member for Airdrie and Shotts (John Reid) should not be overlooked. I tried to let him know that I would be saying these things, but, sadly, he is not present. We should recognise that his leadership and drive as Home Secretary made an important contribution to one of the more successful areas of this Government's administration. The nation is in his debt for his service. I think that it will come to be seen as a calamity for his party that there was not a wider appreciation of his abilities when set against another Scottish Labour politician in 2007. I certainly believe that our country would have been better served had he remained on the Treasury Bench after June 2007. That has been our nation's loss, and it will be the House's loss when we lose his services at Dissolution.

8.5 pm

Mr. Andrew Dismore (Hendon) (Lab): This is our fifth debate on control order renewal. There is a risk of temporary measures becoming permanent, and that is one of my main concerns about how control orders have developed. The Joint Committee on Human Rights, which I chair, accepts that there is a positive obligation on the state to protect us all against terrorism, but it is becoming increasingly clear, year on year, that the system is unfair, not compliant with the European convention on human rights, counter-productive, and now, in our view, unsustainable.

For years I have set out my Committee's reservations about the lack of procedural justice, and have on various occasions proposed amendments to counter-terrorism legislation. However, I shall start on a slightly different tack tonight. I want to talk about the impact of control orders on the individuals concerned. Our inquiry heard evidence from solicitors who represent individuals who are the subject of control orders. One such solicitor, Gareth Peirce, who has had many years of experience of acting in terrorism cases, described the primary sensation of those who are subject to control orders as "despair" and feeling "utterly impotent". She described how at one point, three of her clients who were subject to control orders were all in the health section of Belmarsh prison, all having been imprisoned because they were in breach of their control orders, having made serious attempts on their lives and having been left, either temporarily or permanently, by their wives.

Gareth Peirce described the impact of a control order on the relevant person and their family as "colossal". The whole family is affected by the conditions of a control order, which can prevent visits to the house without authorisation, as well as the use of phones, computers and the internet. I ask hon. Members to think about the effect on children over the age of seven of not being allowed to use a computer, bearing in mind how important access to the internet is for their school work. There have been repeated situations in which bright, academically high-achieving children have been in trouble at school or have fallen by the wayside as a result of such conditions, despite repeated requests having been made to allow them such access—even in a case in which the relevant man could not read or write English and was completely computer illiterate. In summary, the impact can be, and usually is, colossal on the relevant person and his family.

We now see the growing use of a new form of control order—internal exile. Such orders have been applied to British citizens who have grown up in east London all their lives and whose grandparents, or whose wife's grandparents, are there. Men have been parachuted suddenly into Nottinghamshire or Gloucestershire and told that they have to live there from then on, as a modification of their control order. The women in such cases are treated with complete contempt. It is as though they do not exist. The man is told, "Your wife, if she works, can find another job; she can join you if she wants to or she can stay in east London. We know that you can find schools for the children in the area."

The effect on a number of families has been quite extraordinary. That situation might affect only a small number of people, but its contribution to what one might call the folklore of injustice is colossal. It is not something that other people in the community are in ignorance of; it is highlighted because of the perception of the extent of the injustice, so it has a wide effect. Of the 12 controlees—now 11, we are told—eight have been required to relocate, but two of those relocation conditions were subsequently overturned by the court.

It seems that the use of that condition is becoming more frequent in relation to the so-called light-touch control orders. Of the 45 original control orders, only 17 were required to relocate, so the proportion is much higher now than before. The same tactic was used under apartheid in South Africa, but it did not do any good. It was used by Tsarists in Russia, but it did not do them any good, and it was used by the colonels in Greece, and it did not do them any good, either. Internal exile does not work; it is counter-productive and creates more problems than it solves.

The Committee also heard about delays in modifying control orders. Another solicitor told us that one of his clients made an application for various conditions to be varied, among other things so that he could attend a college course, and use a particular dentist with whom his wife and children were registered, just outside the boundary of where he was allowed to go. All those requests were refused and an appeal was lodged in February last year, but it took until July for the court to hear the case. By then the college course was done, and presumably the man's wife had found another dentist.

I mentioned in my intervention the cost of control orders, as hon. Members question their efficiency. Our Committee feels a growing sense that their financial cost has become disproportionate to any benefit that can plausibly be claimed for them. We have had a lot of correspondence on this issue and we have dug out the figures. So far, there is a running total of £13 million over three years, including £8.1 million in legal costs, £2.7 million in administrative costs and £2 million to the Legal Services Commission for publicly funded representation.

That is just the start of the tab. The representation figure does not include ongoing cases, because the bill is submitted only at the end of a case. It does not include the cost of the compensation the Government will now have to pay in relation to cases thrown out by the courts

[Mr. Andrew Dismore]

as a result of the AF judgment. Nor does it include the costs of running the courts, bearing in mind the dozens of hearings—from the High Court all the way to the House of Lords, and now the Supreme Court.

When we put all that lot together, the estimate is enormous. Even on those figures, the amount is more than £1 million per controlee. Although the Government will not tell us the daily cost of round-the-clock 24-hour surveillance—because we have to assume that some people are under surveillance as well as being subject to control orders—£1 million must buy an awful lot of police officers and security service people. Surely, that would be a more effective way of using public money than spending it on Queen's Counsel, bureaucrats and courts, and a much better way of keeping us safe than having cases trailed through the courts.

I have already mentioned procedural issues. Time and again, my Committee has been proved right and the Government proved wrong. I want to deal with just one aspect—gisting. Last year, in the renewal debate, we heard about the case in the Grand Chamber of *A v.* UK. The Government said it had no wider application and applied only to deprivation of liberty cases. Surprise, surprise, less than six months later in June 2009, as we predicted, in AF *v.* the Home Secretary, the House of Lords said that under article 6 the same provisions for the conduct of a fair trial applied in the context of all control orders.

Lord Phillips said:

"Where…the open material consists purely of general assertions and the case against the controlee is based solely or to a decisive degree on closed materials the requirements of a fair trial will not be satisfied, however cogent the case based on the closed materials may be."

As a consequence, the Government were to review all current cases. What happened? The AF control order was lifted, because the Government did not want to give the gist of his case, so he is now presumably subject to surveillance. In total, six orders were revoked. Two were found not to have been necessary in the first place, which is somewhat ironic, if not insulting to those concerned, and one was lifted by order of the court. The Government lifted three because they did not want to gist, so two were replaced by so-called light-touch control orders.

Light-touch control orders are a whole new avenue for the lawyers. The Government say that article 6 does not apply. That argument has already been rejected by the High Court and will no doubt be rejected by higher courts as well, because the basic principle of a fair trial applies whether the control order is light touch or more serious. We are now told that the Government do not intend to amend the Prevention of Terrorism Act 2005, so we have an Alice in Wonderland scenario where the relevant provisions on control orders in the Act are now to be read as meaning exactly the opposite of what the Act says about disclosure. The Act says there cannot be disclosure, but now we have to read it as though there has to be disclosure, and the Government are not prepared to amend it to make it comply with what the House of Lords has said.

In practice, gisting is not really happening effectively. The special advocates who gave evidence to us complained about the minimalist approach. They said that it was an iterative way of proceeding—giving a bit of evidence at a time. That is unfair to controlees, because they are expected to answer part of a case, then a bit more and then a bit more.

We are told that the security services are institutionally cautious in how they proceed. One of the real complaints is that late disclosure is endemic in the system. We were told by special advocates that they were given great piles of paper on a Friday for a Monday hearing—large volumes of material that they are not allowed to take home, and which has to stay locked in a safe in their chambers. In no way can they prepare properly for cases. As was said earlier, the Government do not gist in light-touch cases anyway.

Special advocates have real complaints about the processes. We have heard many of the complaints before, so I shall not go into them all again. They include lack of access to independent expertise in evidence, so there is nil ability to challenge Government objections to disclosure because advocates do not have the expert evidence to back it up. Most important of all is the lack of ability to communicate with the affected person after they have seen the closed evidence. There is even a problem in accessing previous court judgments and decisions, to find out what the precedents are. Everything is done by word of mouth and there is no proper way of proceeding. I have raised the issue with my right hon. Friend the Minister in parliamentary questions, but we have had no sensible answer.

Lynne Jones: Last November, a letter from my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism informed me that in relation to the right to a fair trial:

"Control orders…legislation is fully compliant with Article 6."

Is my hon. Friend the Member for Hendon (Mr. Dismore) saying that is not correct?

Mr. Dismore: Yes, I am. We know that in relation to the majority of control orders, the procedure is not correct under article 6—on the right to a fair trial—without the gisting.

Mr. Hanson *rose—*

Mr. Dismore: Will my right hon. Friend let me finish the point? It is a matter of great disagreement between us.

Only if there is proper gisting—sufficient gisting to give the controlee the substance of the case they have to answer—can the case be compliant with article 6. Now we know, through the new process of light-touch control orders, that the Government are saying that article 6 does not apply. We say it does. The High Court has already said it does. The matter is going to the Court of Appeal, and no doubt all the way up to the Supreme Court and Strasbourg. They will all say the same thing, it will come down again and we shall be back where we started.

John McDonnell: I do not think that the Lord President of the UK Supreme Court could have put it more succinctly:

"A trial procedure can never be considered fair if a party to it is kept in ignorance of the case against him."

Mr. Dismore: My hon. Friend is right.

Mr. Hanson: For the avoidance of doubt, I stand by the comments in my letter to my hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones). There is an honest disagreement between my hon. Friend the Member for Hendon (Mr. Dismore) and the Government's legal advice on the matter.

Mr. Dismore: My right hon. Friend makes his point. I simply say that in every case that has been appealed so far, we have been proved right and the Government have been proved wrong. Our track record is rather better than my right hon. Friend's—so far. I anticipate that the same process will continue, and no doubt we shall hear the same arguments about article 6 applied to light-touch control orders.

Special advocates say that they should be allowed to communicate at least about the legal strategy and procedural issues relating to the case. They also say, and I agree, that they should be allowed to apply to the court, without giving notice to the Secretary of State, for permission to ask questions of their clients. As an international comparator, I cite the fact that that procedure is adopted in Canada—and it is sensible.

We need to look at the special advocate system. There are no fewer than 22 different types of court hearing in which special advocates can be used—22 different ways in which secret evidence can be heard in our courts, from planning inquiries right up to the control order regime, and many other things as well. The system has grown like Topsy, and we need a proper review to make sure that the special advocate system—not just in relation to control orders—is proper and fair across the board.

David Davis: The hon. Gentleman makes a good legal case; he is supported by the judges and the Government are not. For me, however, the most important issue is a practical one: our agencies currently have great difficulty dealing with the sheer number of suspects that they face. Any strategy should be designed to reduce the number of people who are radicalised. Does the hon. Gentleman agree that the policy will actually radicalise more young Muslims?

Mr. Dismore: I agree. That is the point I made earlier when I was talking about the impact on families. The way the orders spill out into the wider community is completely disproportionate, because of the sense of injustice it creates.

Last year, when we debated the continuation motion, my hon. Friend the Member for Gedling (Mr. Conker)—now the Minister for Schools and Learners—promised to meet special advocates, as had his predecessor, my right hon. Friend the Member for Harrow, East (Mr. McNulty), before him. Neither of those meetings took place, so will my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism meet the special advocates and listen to their concerns about the fairness of the process? Will he also involve the security services in the meeting so that we can try to reach consensus about what can be done to make the system fairer? My Committee recommended a forum for special advocates, the Government and the security services to discuss the issues of principle involved and see what can be done—not on specific cases, but to make the system better.

Since the introduction of the control order regime in March 2005, my Committee has expressed serious reservations about renewal on all previous occasions—unless the Government were prepared to make the necessary changes to the system to render it compatible with human rights. We warned that without those changes, the use of control orders would continue to give rise to unnecessary breaches of individuals' rights to liberty and due process. Those warnings have been echoed internationally.

Those many warnings have not been heeded, and as a result, the continued operation of the unreformed system has, as we feared, led to more unfairness in practice, more unjustifiable interference with people's liberty, more harm to people's mental health and to the lives of their families, even longer periods of indefinite restrictions for some individuals, more resentment in the communities affected by, or in fear of, control orders, more protracted litigation to which no end is in sight, more claims for compensation, ever-mounting costs to the public purse and untold damage to the United Kingdom's international reputation as a nation that prizes the value of fairness.

For all those reasons, together with the serious reservations about the practical value of control orders in disrupting terrorism compared with other means of achieving the same end, my Committee has reached the clear view that the system of control orders is no longer sustainable. We believe that a heavy onus rests on the Government to explain to Parliament why alternatives, such as surveillance of the very small number of suspects currently subject to control orders and a more vigorous pursuit of the possibility of prosecution, are not now to be preferred. The system is unsustainable.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. May I remind all right hon. and hon. Members that this debate is due to finish at 8.45, and that the Minister has a right to reply? I hope to be able to call all hon. Members who want to speak in the debate.

8.20 pm

Chris Huhne (Eastleigh) (LD): Thank you, Madam Deputy Speaker; I will attempt to be brief.

I am always pleased to follow the hon. Member for Hendon (Mr. Dismore), with whom I am in great agreement. I thought that the report of the Joint Committee on Human Rights was very informative and thorough, as one has come to expect. I was disappointed by the speech made by the hon. Member for Reigate (Mr. Blunt), who rather reminded me that when the Conservative party says that it is in favour of change, it is perhaps time to be a little sceptical. The historical record of the Conservative party's commitment to change suggests that it is usually in favour of change only when everyone else has already made it happen.

The Liberal party's position on control orders is well known, and it has not changed over the past year. They are a violation of fundamental rights and an expensive failure to boot. What has changed is the Government's legal problem. The control order regime has been dealt a major blow by the House of Lords judgment in the case of the Secretary of State for the Home Department v. AF(n) which nine Law Lords were unanimous in their

[Chris Huhne]

view that failure to disclose adequate details of the case against people subject to control orders breached their right to a fair trial under article 6 of the European convention on human rights.

Control orders are one of the worst examples of the Government's determination to use any excuse to sacrifice hard-won and traditional safeguards for our freedoms. They are hugely illiberal, involving Ministers making decisions on whom to hold, they fly in the face of the assumption that all people are innocent until proven guilty, and they are imposed on people without any reason or evidence for justification being given.

Just some of the punitive measures include electronic tagging, a curfew, bans on foreign travel, and as we quite correctly heard from the hon. Member for Hendon, a requirement to move, as well as reporting daily to a police station, a ban on access to the internet or mobile phones, the vetting of all visitors and the monitoring of all movements. The average length of a curfew is now 12 hours, and the maximum length is 16 hours. That is quite a catalogue.

Those sanctions do not just have a dramatic effect on the controlee, but often on whole families, including young children. We must not underestimate the damage being done in ethnic minority communities to the good standing of the authorities in attempting to tackle terrorism. That is the human face of control orders, and it is unacceptable. The Home Secretary can comfortably sit in his Whitehall office, dishing them out, yet this example, along with many others, shows how control orders affect the lives of hundreds of people. The consequences are symbolic of the real menace of control orders: the cost to our hard-won civil liberties and our human rights.

Control orders violate the right to a fair trial. The people under them do not know what they have been accused of, let alone what evidence there may be to support an accusation. That is the essence of Kafkaism. It is the bad dream, the nightmare: "We are arresting you. We cannot tell you why. We cannot tell you how good the evidence is against you. But you will be subject to these conditions until we change our minds."

Secret evidence is so convenient. Clearly, the evidence is not good enough to give those subject to control orders a traditional fair trial, in an open court, with an appropriate sentence if convicted. The standard of evidentiary proof required for the Home Secretary to have reasonable suspicion is much lower than that of being beyond reasonable doubt needed by a jury to convict. Perhaps I am old-fashioned. If there is not enough evidence to prove criminality beyond reasonable doubt, we cannot just lock up someone indefinitely anyway. But the Government get around that by simply withholding what evidence they have from the accused, so no challenge can be made to its authenticity or legitimacy and no appeal against the evidence can be made.

There are no time limits. Control orders have lasted for very long periods. Some cases have gone on for more than three years, despite Lord Carlile stating in his report in 2009 that he does not believe that they should be used for more than two years. That amounts to indefinite detention. I ask again, as I did, sadly, last year—this is groundhog day—is that really acceptable as part of a supposedly democratic criminal justice system?

It is not just the Liberal Democrats who have repeatedly pointed out the failings of control orders. There have been many high-profile court cases, not least over the past year, that inform and support our position. Seven orders in total have been quashed by the courts. As I mentioned, in June 2009 the House of Lords ruled unanimously that sufficient detail of allegations must be disclosed to suspects to enable them to give effective instructions to the special advocates representing them.

Less than two months ago the High Court then quashed those orders and ruled that the controlees in question—AE and AF—could seek compensation against the Home Secretary. As Amnesty has pointed out, the Home Secretary's decision to prioritise the secrecy of the evidence over the security threat posed by those two men calls into question the very necessity and utility of the orders in the first place. Yet, despite the sounding of that death knell, the Home Secretary and the Minister still blindly press on, wasting taxpayers money on legal action after legal action, when they should be considering whether control orders have any future at all.

According to a parliamentary answer provided in February, the total cost of legal proceedings relating to control orders stands at more than £10.5 million. As well as the money spent on defending legal challenges to the regime, the cost of policing control orders is extremely high, yet the efficacy of the orders is questionable. We have already heard from other hon. Members that seven controlees have absconded—a worryingly high proportion. Lord Carlile's report states that some controlees still manage to maintain contact with terrorist associates. Given those facts, how can control orders be described as anything other than a shambolic expensive failure?

The only other common-law nation that has tried a similar system is Australia, and it now has no one under a control order. Surely, the moral is that we should dispense with this affront to our justice system entirely and spend those extraordinary amounts of money on surveillance—if, indeed, intelligence suggests that a person represents an ongoing threat to the security of this country.

Let me turn again to Conservative Members, whose position so far as been, extraordinarily, positively Augustinian. Whereas St. Augustine asked the Lord to make him virtuous but not yet, the Conservatives want to become liberal and stand for the rule of law, but not yet. Every year a Conservative spokesman comes to the House, criticises the Government and control orders, and then goes away wringing his or her hands. That is not protest; it is impotence. Having heard the remarks of the hon. Member for Reigate, I have no confidence that the Conservatives in government would do anything differently. Certainly, their voting record does not suggest so.

The Government may argue that control orders fill a gap in the criminal justice system, dealing with suspects who cannot be tried in a traditional court, or locked up indefinitely. None of that is true. There are many alternatives, and as I said in my intervention on the Minister, the conviction rate for terrorist offences is already high. The threshold test has been relaxed and gives substantial extra flexibility for intervention. We also support greater use of plea bargaining to encourage

those on the periphery of terrorist plots to testify against ringleaders—and, as has been mentioned by other hon. Members, there is the option of introducing intercept evidence. Our colleagues fighting terrorism in the United States and Australia find it extraordinary that we are making such a meal of allowing intercept evidence to be admitted in court.

To conclude, we believe that control orders are at odds with the fundamental principles of a liberal and democratic society—the right to freedom and a fair trial, and the presumption of innocence over guilt. As in previous years, we will not support their renewal this year, and we urge Members in all parts of the House to vote with us today to end these illiberal and ineffective orders. We must remember that we are fighting terrorism to defend the values that the House holds dear, and for which it has fought over many generations. What we must never do in fighting terrorism is to become what we are fighting—and that is the risk if we again vote in favour of what the Government want.

8.30 pm

Keith Vaz (Leicester, East) (Lab): This is a very serious debate dealing with an important aspect of policy. I would have hoped that more time would have been made available to the House to discuss these matters.

The debate goes to the heart of the Government's counter-terrorism strategy. That is why we have control orders—to ensure that the public are protected. As the hon. Member for Eastleigh (Chris Huhne) said, this is a groundhog day debate. I have noted all the speeches. Not one has been in support of the Government. The Government will probably get their order, but not a single Member will say equivocally in the House that they support what the Government are doing.

The problem is that much has happened over the past year. There has been widespread concern. I would have hoped for a better response to the question put by my hon. Friend the Member for Walsall, North (Mr. Winnick) to the Minister about the need for Governments to take cognisance of what Members say when the House speaks on such a serious matter—not necessarily in the vote of the House, but when the House speaks in such debates. The Government should not respond with the usual reply—"We always assess everything all the time." I should have thought that that was the function of Government anyway.

I hoped to have heard more about what has happened in the courts, rather than Lord Carlile being trotted out on every occasion, as if he is the master of the universe and therefore if he decrees that something is all right, the House should go along with what he says. Lord Carlile is a great and noble man and a person of great integrity, but he cannot be followed on every aspect of policy just because he agrees with the Government. We need something more than Lord Carlile if we are to be convinced otherwise.

What an excellent speech we heard from my hon. Friend the Member for Hendon (Mr. Dismore). As I said to my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott), he said it all for us. There is no point in repeating statements. He rightly praised the report by his Committee. It is worthy of praise. Much of what I had intended to say was in support of what my hon. Friend the Member for Hendon said.

The Select Committee report was quoted by the hon. Member for Reigate (Mr. Blunt), our concerns echoing the concerns expressed by Sir Ken Macdonald. It is a pity that when they are in office, some high officials do not say the kind of things they say immediately after they leave office. It would be very helpful for Members of the House if they were able to say that when they were in a position to do something about it, instead of merely agreeing that something needs to be done.

The Opposition are in an odd place as well. They have promised a review as soon as they get into office. I should have thought that as they have been in opposition for such a long time, there would be a ready-made policy that could be put into effect almost immediately. However, I will not criticise the hon. Gentleman too much because he was very nice about my speech last year and quoted it in defence of his remarks.

I know that the hon. Gentleman regards himself as Mr. 60 Per Cent. because of the 60 per cent. chance of holding his job. I was in exactly the same position as he is as a shadow Minister, not knowing whether I was going to get a job. I did not—that is not a good precedent for him, I know—and was probably psychologically damaged as a result, having watched Ceefax on the day after the general election to see if my name would pop up. I suggest that he switches off the television and waits for the call.

Mr. Blunt: It is a double improbability—60 per cent. times the probability of the Conservatives winning the general election. On a substantive point, the right hon. Gentleman should judge our proposals in the context that we will review all the counter-terrorism measures together. That is how it ought to be done, in a considered, thoughtful, reflective way, instead of trying to legislate in piecemeal fashion.

Keith Vaz: I shall conclude, because my hon. Friend the Member for Hackney, North and Stoke Newington is anxious to speak, and we have known each other for a long time, so we can share the minutes that are available.

These are fundamental principles of justice, and people ought to know why they are the subject of control orders. That policy is central to the Government's counter-terrorism strategy, but why have it when the very people whom one has under surveillance abscond? It shows that there is a real problem with the policy.

Mr. Hanson: There have been no absconds since June 2007, and I assure my right hon. Friend that we take extremely seriously those absconds that have taken place.

Keith Vaz: There were some absconds before June 2007, however, and the point is that if one's policy involves an order from which people abscond, one must think carefully about whether that policy should be pursued. Anyway, I shall give my right hon. Friend that point, because we are approaching the end of the debate.

We need to look again at the issue—very carefully and very quickly. My right hon. Friend told my hon. Friend the Member for Walsall, North that he will keep all the issues under constant review. If my right hon. Friend is right about that, and he is able to return to the House with an alternative measure, I, like my hon. Friend, hope that he will do so.

8.36 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am glad to have the opportunity to speak in this important debate and put on the record my opposition to control orders. There have been many excellent speeches, and I cannot add to them, but I should say that, when the Government rammed through control orders in the face of the fiercest resistance from both Houses, they seemed to think that, by making them a temporary order for renewal, they could convince the unworldly and innocent that we would have a chance to review the whole measure. However, they were talking about what is happening tonight: a debate that is far too short, coupled with their earnest hope that the measure will just be nodded through. Unfortunately for them, some of us are not prepared to nod it through; we thought that it was wrong then, and we think that it is wrong now.

Ministers talk piously and at length about all the evidence that some of us have not seen, and the evidence that they cannot take to court. However, they are really talking about intercept evidence, as other Members have said, and over and over again people have presented practical solutions whereby Ministers could use such evidence and prosecute people. I repeat that nobody is saying that people on whom the Government have evidence should not go before the courts; we object to keeping people in an indeterminate limbo.

Ministers also make over and over again the point about judicial supervision, but let me remind them that judicial supervision rests on ensuring that a process has been followed. The judges do not examine the basis of the original control order, so judicial supervision is about process, not content, and it is misleading to try to mollify the House by talking about the involvement of judges. I shall not even discuss Lord Carlile.

My hon. Friend the Member for Hendon (Mr. Dismore) made the case effectively about the extraordinary internal exile that people who are subject to control orders face. I have spoken to people—lawyers and volunteers—who work with people under such orders, and one of the most shattering effects on the people who are subject to them is internal exile, precisely because such people tend to come from the same sections of the community. It is particularly harrowing for them to be sent perhaps hundreds of miles from their family or relatives into internal exile. Other Members have said that many authoritarian regimes have tried it, and it has not worked in any case.

Mr. Winnick: I know that my right hon. Friend the Minister wants five minutes to reply, but in order to concentrate his mind and make him take seriously how unhappy many of us are about control orders, I must tell my hon. Friend that having voted for such orders previously I shall vote against them tonight. I hope that others will also reflect on the issue to make the Government consider much more seriously an alternative to the current system.

Ms Abbott: Control orders, secret evidence, the whole debate about extraordinary rendition—all these add up to the emergence, post-9/11, of a secret state that does not meet the test of the freedoms that this country has taken for granted for so many centuries; that is not effective; and that is undermining some of the good work of our security services by spreading disaffection in the communities thus affected.

I would say more than that. If the emergence of a secret state is allowed to happen in this way—by that I mean not just control orders, secret evidence and what happens in and around the process of extraordinary rendition—it is not just the particular communities that some of us have in mind that are affected: in the end, that abrogation of liberty will affect us all. In recent weeks, the Government have found themselves in the deeply embarrassing position of having fought to keep judicial findings about the extradition of Binyam Mohamed secret and then being forced by the courts to reveal every last paragraph. Yet Ministers still do not see where the post-9/11 atmosphere has led them in terms of going clean contrary to what has, for centuries, been accepted as the due process of law in this country.

Control orders were wrong when the Government initially proposed them, they have been proven to be even more inadequate than some of us thought, and they are still wrong now. I will not be supporting the Government on this matter tonight.

8.41 pm

John McDonnell (Hayes and Harlington) (Lab): I believe that the Minister has waived his opportunity to respond. I want briefly to put a few points on the record.

When we had this debate several years ago, the House was packed and the debate was incredibly controversial. At that time, the Government used a number of arguments. Their first was that these were temporary measures and that the full architecture of the prevention of terrorism legislation had not yet been put in place. We have had five years since then, with an annual criminal justice Bill of some sort and a whole range of other measures brought forward to tackle the prevention of terrorism. There is no longer an argument left that these are temporary measures. The other argument that Ministers always advance when they have difficulty in justifying a case is based on saying, "We know more than you do because of the information that's been given to us by the intelligence services." That is the argument that took us into the Iraq war and cost 500,000 lives. I do not have the confidence in the intelligence services that other Members have displayed, certainly not after the cover-ups that we have experienced on the torture of prisoners and the collusion in the torture of people to gain information.

As we have heard, we are talking about people who have been put under control orders because they are possibly the most dangerous people in the country. The situation then degenerates into farce when they abscond and we have a Minister making statements to the House and elsewhere to reassure the general public that no one is at risk as a result of their absconding.

I want to place on the record—this might be the last opportunity to do so before the general election—my tribute to the work that my hon. Friend the Member for Hendon (Mr. Dismore) has done through his Committee in exposing the absolute ineffectiveness and injustice of control orders. I also want to place on record my respect and admiration for Gareth Peirce and the work that she has done in defending several of these people valiantly while at times being attacked in the media and elsewhere. Through her evidence—we have used it time and again in recent years—she has been able to demonstrate the

brutality of these orders, particularly the new, lighter order of internal exile, and their effects on individuals and their families.

I give the Government a warning: this policy is having ramifications across communities. We said that it would be a recruiting sergeant for terrorism, and I believe that it is a recruiting sergeant for those who are anxious about what is happening to their communities as a result of this illiberal legislation. It is completely counter-productive, and regrettably, we are rehearsing the same arguments five years on. Again tonight, hon. Members who are not even present for the debate will vote the order through, and it will have a direct, detrimental impact on all our communities.

8.44 pm

Mr. Hanson: I am grateful for the comments of my right hon. and hon. Friends, and those of the hon. Member for Reigate (Mr. Blunt), about the work of my right hon. Friend the Member for Airdrie and Shotts (John Reid) and others. I can only say—

8.45 pm

One and a half hours having elapsed since the commencement of proceedings on the motion, the Deputy Speaker put the Question (Standing Order No. 16(1)).

The House divided: Ayes 206, Noes 85.

Division No. 90] [8.45 pm

AYES

Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Buck, Ms Karen
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hanson, rh Mr. David
Harris, Mr. Tom
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. Kevan
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
Meacher, rh Mr. Michael
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Munn, Meg
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sheridan, Jim
Singh, Mr. Marsha
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Tami, Mark
Timms, rh Mr. Stephen
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony

Tellers for the Ayes:
Helen Jones and Mr. George Mudie

NOES

Abbott, Ms Diane
Alexander, Danny
Austin, John
Baker, Norman
Barrett, John
Beith, rh Sir Alan

Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clark, Ms Katy
Clegg, rh Mr. Nick
Cook, Frank
Corbyn, Jeremy
Cousins, Jim
Davies, Mr. Dai
Davis, rh David
Dismore, Mr. Andrew
Drew, Mr. David
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Gidley, Sandra
Godsiff, Mr. Roger
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jackson, Glenda
Jones, Lynne
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kilfoyle, Mr. Peter
Lamb, Norman
Lazarowicz, Mark
Leech, Mr. John
Marshall-Andrews, Mr. Robert
Mason, John
McDonnell, John
Moore, Mr. Michael
Mulholland, Greg
Mullin, Mr. Chris
Oaten, Mr. Mark
Opik, Lembit
Pelling, Mr. Andrew
Prentice, Mr. Gordon
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Rogerson, Dan
Rowen, Paul
Russell, Bob
Sharma, Mr. Virendra
Simpson, Alan
Skinner, Mr. Dennis
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Winnick, Mr. David
Wood, Mike
Younger-Ross, Richard

Tellers for the Noes:
John Hemming and Mr. Adrian Sanders

Question accordingly agreed to.

Resolved,

That the draft Prevention of Terrorism Act 2005 (Continuance in Force of Sections 1 to 9) Order 2010, which was laid before this House on 1 February, be approved.

Social Security

8.56 pm

The Minister for Pensions and the Ageing Society (Angela Eagle): I beg to move,

That the draft Social Security Benefits Up-rating Order 2010, which was laid before this House on 27 January, be approved.

The Social Security Benefits Up-rating Order 2010 supports the action the Government have taken to help people through the unprecedented economic challenges that we are facing. It increases support for people on pensions and benefits by more than £2 billion, at a time when it is important that we protect the most vulnerable.

The latest official data show that the UK economy returned to growth in the last quarter of 2009. While cautious, the Government remain confident about the future prospects for the economy. We shall therefore continue to support long-term sustainable growth and provide targeted economic support, as to withdraw this now could put the recovery at risk before it is properly established. By responding positively and proactively during the downturn, the Government have helped more people to keep their jobs than many commentators expected and helped others to return to work quickly. Unemployment is 450,000 lower than forecast at the last Budget, which shows that active Government support works.

Prospects for the UK and global economy are better than 12 months ago, as Governments across the world have stepped in to support their economies. As forecast in the pre-Budget report, UK GDP growth returned at the end of 2009 and, supported by measures to stabilise the financial system, growth is expected to pick up through 2010 and 2011.

The latest Office for National Statistics employment figures show that falls in employment continue to slow and that unemployment looks to be levelling out. While it was disappointing to see the claimant count rise last month, after having fallen in the previous two months, the number of new claims for jobseeker's allowance has fallen again, and more than 50 per cent. of people move off claims in less than three months.

This order provides real help for people entering or returning to the job market, and will help to support the recovery. People of working age who claim income-related benefits will have their benefits uprated in line with the Rossi index—the retail prices index less housing costs. So those who receive benefits such as jobseeker's allowance, employment and support allowance, and incapacity benefit will see the support that they receive increase by 1.8 per cent. from April 2010. It is usual to increase state pension and some other social security benefits in line with the September inflation figures.

As a consequence of the credit crunch, which began in the US sub-prime mortgage market, we have been experiencing extraordinary global conditions. The retail prices index moved into negative territory for the first time in around 50 years, and in September 2009 it stood at minus 1.4 per cent. That means that those who rely on benefits being uprated by the retail prices index could have expected their benefits to be frozen in cash terms, with no increase at all from April. However, as the Government remain committed to helping the most vulnerable in society, my right hon. Friend the Chancellor used his pre-Budget report last year to announce an

increase for key carers and disability benefits by 1.5 per cent. this April to help people now, when they need it the most. As a result, we shall be uprating benefits for disabled people and carers, along with statutory payments for parents and others who receive national insurance-linked benefits, by 1.5 per cent. from April. We shall uprate attendance allowance, carer's allowance, disability living allowance and maternity allowance, to ensure that they do not fall behind.

As Members in all parts of the House will no doubt be aware, since September inflation has increased. The retail prices index for the year to January 2010 stood at 3.7 per cent. The main drivers behind that increase are the return from 15 to 17.5 per cent. for value added tax, the continued increase in oil prices and an increase in housing costs. Although inflation is now positive again, it is important to keep in mind the cyclical nature of the uprating process and the fact that inflation between October last year and March this year will be taken into account when benefits are uprated next year. In particular, when it comes to uprating in 2011, annual inflation to September 2010 will include the return to positive RPI inflation from November last year.

Steve Webb (Northavon) (LD): But is it not the case that that is not quite accurate? The order that we are debating this evening includes an increase in child benefit, which will not be included in the figure that will subsequently be uprated by the following year's inflation. Although that is being added on a once-only basis now, next year's inflation rate will be applied to the underlying figure, not the figure in the order before us.

Angela Eagle: The uprating process applies in most cases to most benefits. However, the hon. Gentleman is well versed in the intricacies of the benefits system, and he can always find an example to show that what I have said is not exactly true. It is a bit like talking about what one ought to do in chess: it is almost always the case that one should protect one's king, except in the end game, when one's king can be the most aggressive piece on the board. The hon. Gentleman is well versed in finding out the kinks in the basic approach, which I have just set out, and as usual I congratulate him on that.

Mr. David Heath (Somerton and Frome) (LD): That was a castling move.

Angela Eagle: Queen's side or king's side?

Traditionally, the basic state pension is uprated in line with the retail prices index. However, my right hon. Friend the Chancellor also used his pre-Budget report to reconfirm that the basic state pension will be uprated by 2.5 per cent. from April 2010, which amounts to an above-earnings increase. That means that from April the basic state pension for a single person will increase by £2.40, to £97.65 a week. It also means that the standard rate based on a spouse or civil partner's contribution will increase to £58.50, giving a pensioner couple a total of £156.15.

The Government believe that the most effective way of helping pensioners is to increase the basic state pension. That increase, which is delivered as a result of a commitment first given by this Government in 2001, will ensure that more than 11 million pensioners receive an increase in the value of their basic state pension, over and above the level of earnings. That will mean that pensioners will have benefited from a long-term real increase to their basic state pension of 12 per cent. since 1997 worth more than £10 a week. Increasing the basic state pension means that help is provided to more pensioners, with a more even distribution of that help.

When it comes to additional pensions, the uprating of which has always been linked to prices, we faced a number of challenges this year. The retail prices index was negative for the first time in around 50 years. Also, one cannot look at additional pensions in isolation, as any increase in additional pensions feeds directly through to public sector pensions. Nevertheless, we looked at whether it would be possible to uprate additional pensions by the 2.5 per cent. underpin used for the basic state pension, but that would have cost the taxpayer an additional £1.2 billion this year. We also considered whether it would be possible to uprate additional pensions by the 1.5 per cent. used this year to uprate key disability and carer's benefits, but, as I have said, the uprating of additional pensions feeds directly through to public service pensions and to some aspects of occupational pension schemes. As a result, we are unable to uprate such benefits without creating unintended consequences for occupational pension schemes, and significant extra cost.

Mr. Nigel Waterson (Eastbourne) (Con): Does the Minister accept that the intended consequence of these measures is that hundreds of thousands, if not millions, of pensioners will be worse off as a result of the freezing of the additional payments attached to many pensioners' state pensions? Will she tell us how many people she estimates will lose out? Does she also accept that the measures will save the Treasury—or rather, cost the pensioners—more than £500 million?

Angela Eagle: I do not believe the figures that the hon. Gentleman has come up with. The retail prices index for September, which is the index that we have used to uprate by prices, was minus 1.4 per cent., so zero is still an increase—although it does not feel like it—in terms of buying power. It is also important to remember that the 2.5 per cent. increase in the basic state pension goes to all pensioners. In the circumstances, we decided, because of the complications surrounding public sector pensions and the extra amount of money that uprating would have cost—some £1.2 billion—that it was right to hold additional pensions at a zero increase this year. However, the 2.5 per cent. increase in the basic state pension will mean that, on average, recipients in Great Britain will see an overall increase of 2 per cent. in their state pension, taking into account additional and basic state pension, which is 3.4 per cent. above the prices indicated in the RPI.

Mr. David Drew (Stroud) (Lab/Co-op): The problem with the additional pension is that people always feel that the Government manipulate it to their advantage. Psychologically, this does immense damage to those people who stuck with the state earnings-related pension scheme and have seen the supposed benefit erode over time. That is why some of us, and some of our constituents, are very unhappy about this. They think that these measures will always be manipulated by the Government.

Angela Eagle: At a time of very great difficulty, we have put £1 billion extra into pensioners' pockets with the increases that I am setting out in this uprating statement. The connections to prices indicated that no increase at all would have been appropriate, but my right hon. Friend the Chancellor has stuck to the pledge that we made in 2001 that an increase in the basic state pension of RPI or 2.5 per cent.—whichever was the higher—would be fulfilled. I wonder whether Conservative Members will confirm tonight that their policy is to stick with the 2.5 per cent. underpinning for the basic state pension, which has been in place under this Government since 2001.

For the poorest pensioners, my right hon. Friend the Chancellor has also confirmed that the standard minimum guarantee on pension credit will increase by more than earnings from April, by £2.60 a week for single pensioners and by £3.95 for couples.

Lynne Jones (Birmingham, Selly Oak) (Lab): It is understandable that hon. Members should speak out on behalf of pensioners, but may I highlight the plight of people on unemployment benefit? The level of jobseeker's allowance is absolutely derisory. It will go up from £64.30 to £65.45 for those over the age of 25, which is half the minimum amount that a pensioner is expected to live on. For those under 25, it will go up to £51.85. How are people expected to live on those amounts?

Angela Eagle: It is true that our benefits systems do not replace a high percentage of earnings once one gets off the contributory level. Part of that is about work incentives and encouraging people to move off benefit into work. My hon. Friend knows that in many cases jobseeker's allowance is not the only benefit to which individuals are entitled in the circumstances of looking for work. I have sympathy with what she is saying, but these things have to be balanced by the overall cost of the benefit system and the effect on work incentives of high replacement earnings rates for benefits.

Lynne Jones: The Minister says that JSA is not the only benefit. Has she any idea what proportion of people on JSA get additional benefits, apart from housing allowances? The figures that I read out a few moments ago are the basic amount that the majority of single people on JSA have to live on.

Angela Eagle: I am happy to write to my hon. Friend to answer her question, as I confess I do not have the exact figures in my head at the moment.

I was about to say that the increases in the standard minimum guarantee and pension credit, which are higher than earnings, will mean that from April no single pensioner will be living on less than £132.60 a week and no couple on less than £202.40 a week. That demonstrates a real-terms increase of more than a third for the poorest pensioners since 1997.

The above-earnings increase in the pension credit guarantee underlines the continuing commitment to tackling pensioner poverty by a Government who have already taken 900,000 pensioners out of relative poverty and 1.9 million out of absolute poverty since 1998-99. In fact, the Government have spent around £100 billion more on pensioners since 1997 than we would have if we had simply allowed the policies of the previous Government to continue unchanged. While there is always more to do, we have finally broken the link between older age and poverty.

The action that we have taken shows that returning to growth and pre-recession levels of employment will be the Government's first priority. That is why the recent employment White Paper, "Building Britain's Recovery: Achieving Full Employment" outlined the increasing support we will give to help those who have lost their jobs in the downturn to get back to work as soon as possible. It includes the young person's guarantee, which provides that all 18 to 24-year-olds still unemployed after six months are guaranteed access to a job, training or work experience, supported by more time with their personal adviser. It also shows our commitment to supporting older workers by providing more training to Jobcentre Plus advisers and access to specialist support from external providers to address older workers' specific needs. Our long-term vision for transforming Jobcentre Plus services will benefit all our users. As part of this, we will improve online services and set up new pilots to give jobcentres the freedom to deliver more personalised services.

The package of uprating proposals we are debating this evening is worth around £2 billion for 2010-11. It represents significant and worthwhile help to those among the poorest and most vulnerable in society. It provides real help in a challenging year and more help where it is needed most. I commend the order to the House.

9.13 pm

Mr. Nigel Waterson (Eastbourne) (Con): Conservative Members naturally welcome any benefits' uprating so far as it goes and no matter how unfairly distributed. We want to see extra help going to our hard-pressed constituents at this difficult time. As a nation, we are barely beginning to climb out of the recession made in Downing street. The latest gross domestic product figures per head show that practically every family in this country is worse off in real terms than they were in 2005. What a dismal record. Many are much worse off, as the figures for pensioner and child poverty grimly demonstrate.

The details of the uprating regulations show just how complex the benefit system has become, with different rates for various upratings, the retail prices index, the Rossi index and so on. No wonder so few people really understand the benefits system in all its complexity.

All this must be seen against a background of more than 5 million people on out-of-work benefits, many of whom would very much like to be in work. The Minister mentioned unemployment, which is high. About 2.5 million people are unemployed, and, according to the Secretary of State, the figure is set to rise again by the summer. There is also the stain of rising youth unemployment. It currently stands at about three quarters of a million; and there are more than 1 million NEETs—young people who are not in education, employment or training. We face the prospect of a whole generation of young people who may never be able to find productive employment.

We, of course, have our own plans to get Britain working again. We plan to provide support for the 2.6 million claiming incapacity benefit, to abolish the Treasury rule

that prevents the Government from paying welfare-to-work providers using the benefits saved once someone has a job, to offer more support to the young unemployed by referring them to work programmes after six months of unemployment rather than a year—the period specified in the Government's flexible new deal—and to pay providers according to results, with a focus on truly sustainable outcomes.

One of the features of this uprating is that it is shot through with some deeply cynical decisions. For example, the Minister referred to a 1.5 per cent. increase in child benefit, disability living allowance, carers allowance and incapacity benefit. However, as no funds will be provided next year, that amounts to a crude pre-election bribe for one year only, followed by a real-terms cut. If the Minister disagrees with that, I shall be happy to give way to her so that she can deny it in toto.

Angela Eagle: Perhaps the hon. Gentleman would explain why he thinks that making a 1.5 per cent. payment available now, a year before it would otherwise have been due, constitutes a cut.

Mr. Waterson: It constitutes a cut because, according to the Government's own figures in the pre-Budget report, the money will not be available next year. If the Minister does not believe me, perhaps she will listen to the Institute for Fiscal Studies, which has said

"the 1.5 per cent. rise... is set to be only temporary, as the Chancellor committed himself—or rather, his successor—to increase these same benefits by 1.5 per cent. less than inflation this time next year."

Angela Eagle: I fail to understand why the Opposition think that bringing an increase—or half of it, say—forward for a year, and paying it for a year, can turn out to be a cut. It means that people will receive an increase that they would have received anyway—or part of that increase—a year in advance, when they need it most. How, according to any lexicon, can that be portrayed as a cut?

Mr. Waterson: I have to tell the Minister that, in the real world out there, people will see it as a cut. Having received 1.5 per cent. this year, they will not receive it next year; in fact, they will receive 1.5 per cent. less. We think that that was a deeply cynical move by a discredited Government on their last legs.

It gets worse. Let us consider the Government's treatment of pensioners. With a great fanfare, the Chancellor announced in the pre-Budget report that despite the RPI figures then applying, there would be a 2.5 per cent. rise in the state pension. As always with this Government, however, it pays to read the small print. Following the PBR, it was revealed—by the Minister herself, I believe—that the rise would not actually apply to many pensioners' real incomes. As Age Concern and Help the Aged—or Age UK, as we must get used to calling them—said in their briefing for the debate,

"While we are pleased that the basic pension will increase by 2.5 per cent., most people see their state pension as a single entitlement and do not distinguish between the different parts."

The hon. Member for Stroud (Mr. Drew) made that point a moment ago. The briefing continues:

"Since the pre-Budget report we have been receiving complaints from people who will be affected by this decision and the numbers are increasing as more people become aware that the commitment to uprate the state pension only applies to the basic pension."

Angela Eagle: In respect of the 2009 pre-Budget report, it was stated:

"The 2009 Pre-Budget Report announces further Government action to provide support for households during the early stages of economic recovery, including increasing the basic State Pension by 2.5 per cent.".

Mr. Waterson: The hon. Lady obviously missed her vocation; she should have been a lawyer. *[Interruption.]* I am sorry, that is her sister—the Minister of State, Ministry of Justice, the hon. Member for Liverpool, Garston (Maria Eagle)—so it is obviously in the genes. However, as the hon. Member for Stroud said, people do not make the distinction that has been alluded to. Instead, they look at their total state pension income, and many of them have been taken by surprise. All the Minister need do is take into account what Age Concern and Help the Aged have to say, or listen to programmes such as "Money Box Live", in order to know the depth of the anger, frustration and disappointment felt by many pensioners on learning that they have been cynically cheated of part of the increase they had expected to receive.

While I am reading quotes from Age Concern and Help the Aged, may I make another point, which is of relevance to the intervention from the hon. Member for Northavon (Steve Webb)? Those organisations go on to say that

"although the RPI was negative in September 2009 older people who contact us say they have not noticed any reductions in their everyday bills. This is unsurprising given a major contributing factor to the fall in the RPI was a reduction in mortgage interest payments which has no impact on the spending of most retired people."

I endorse that pertinent comment on the application of different inflation rates to pensions increases. Yet again, this year, like every other year, this Government ducked a decision on linking the state pension with earnings. As Mr. Andrew Harrop, head of policy at Age Concern and Help the Aged, said:

"The Government has missed a golden opportunity to promise to restore the link between Basic State Pension and earnings by 2012. Sliding beyond this date will plunge an additional 70,000 pensioners into poverty, saving relatively little for the Government—an estimated £250 million a year after 2012."

Steve Webb: The Leader of the Opposition said in his speech at the weekend that the Conservatives would pay for the earnings link by raising the pension age for men in 2016. One might have read that to mean that the Government-in-waiting—the Conservative party—will not restore the earnings link until 2016. Is that a correct understanding of what he said?

Mr. Waterson: No.

Angela Eagle: Will the hon. Gentleman at least admit that we have actually increased the basic state pension and pensions overall by above the increase in earnings this year, as the rise in earnings is lower than 2.5 per cent., so the earnings link this year would have been less generous than the increase we are debating tonight?

Mr. Waterson: Well, that is an interesting intervention on two levels, is it not? First, it is an Alice in Wonderland intervention because the Minister seems to be trying to take credit for the fact that, as a result of Government

[Mr. Waterson]

policies, the bombed-out economy has meant that earnings have contracted not increased, thus, somehow the Government are being more generous to pensioners. She will not be allowed to get away with that. Secondly, is it not part of Labour party mythology that the wicked Tories broke the earnings link in 1980? Surely she would recognise that there have been any number of years between then and now when precisely what she said just now applied. She really cannot have it both ways.

I am nervous about carrying on with my speech because I am afraid that the Under-Secretary of State for Work and Pensions, the hon. Member for Bishop Auckland (Helen Goodman), will have a coronary if I do, given that she is laughing so hard at all this. Perhaps I can provide her with some sobering thoughts and statistics in a moment, but I return now to the matter of restoring the link. When do the Government propose to redeem that pledge? When will they give a straight answer to that question? I am sure that this debate will contain any number of worthy speeches by Government Back Benchers saying, "The wicked Tories broke the link in 1980." This Government have had 13 years to do something about it, but they have done absolutely nothing; all they have done is pass legislation that gives them the power to restore the link, but since then they have done nothing. So I am not going to take any lectures from Labour Members about restoring the link.

As the hon. Member for Northavon mentioned my right hon. Friend the Member for Witney (Mr. Cameron), may I remind him of what our leader said at our party conference? On restoring the link, he said:

"let's be the party that finally makes it happen."

Amen to that. May I also ask why there was no extra Christmas bonus this year? Perhaps someone could deal with that.

The Minister for Pensions and the Ageing Society will recall, as she participated in the debate, that only last week we discussed pensioner poverty. Even on the Government's figures, some 2.5 million pensioners are living in official poverty. Some 64 per cent. of pensioner households are dependent on state benefits for at least one half of their income—that is a staggering statistic. This Government's stewardship has been marked by, among other things, failed attempts to tackle the low take-up of means-tested benefits. Some 1.8 million people do not claim the pension credit to which they are entitled. Some £5.4 billion in benefits goes unclaimed by pensioners each year; the money just stays in the Chancellor's pocket, and that is tragic. Fuel poverty is bad and getting worse. Help the Aged estimates that up to 50,000 pensioners die needlessly because of the cold every year.

Something else that was mentioned in last week's debate and is deserving of repetition is council tax benefit. Of all the means-tested benefits it has the worst record for claims by pensioners. A well-run campaign by the Royal British Legion, supported by my right hon. Friend the Member for Witney—I believe that in the end it had cross-party support—aimed simply to change the name from "council tax benefit" to "council tax rebate". It did so because the evidence shows that only 55 to 61 per cent. of all pensioners who qualify for the benefit get round to making a claim. That means that about £1.5 billion of the benefit is left unclaimed every year. Research carried out by ComRes on behalf of the Royal British Legion has found that more than two thirds of the public believe that

"some people are ashamed to claim Council Tax Benefit, even if they are entitled to it".

An Ipsos MORI survey conducted on behalf of the Legion found that 56 per cent. of respondents believed that eligible veterans would be more likely to claim council tax benefit if it were known as a rebate rather than a benefit. Eventually, a deafening chorus of calls for that change to be made came from organisations including the House of Lords and, I think, the Select Committee. As I say, it is a very small change that could put a great deal of extra cash into the pockets of needy pensioners—cash to which they are already entitled.

Amendments for that purpose were tabled when the Welfare Reform Bill was considered in another place, but an amendment requiring the change to be made within a set time frame was withdrawn on the basis of assurances from the Minister that the Government would definitely make the change. In language that is unusually strong for the Royal British Legion, it states:

"The Legion is extremely disappointed that, three months on, its good faith seems to have been taken for granted."

The Government are saying—the Minister said it last week and she will no doubt say it this week—that they are consulting local councils about the proposal because there are 381 of them, or something like it, and making this one-word change requires a huge IT effort on their part. I do not think that that is good enough.

Let me come on to another issue: the delays in implementing personal accounts, or NEST—the National Employment Savings Trust—as we have to get used to calling them. A series of substantial delays have been announced in recent weeks and months, meaning that some of the Turner report's target audience—medium and low-income workers who do not have any provision from their workplace for their retirement—might have to wait until 2017 until they are fully enrolled and receiving all the contributions under that scheme.

Lest anyone thinks that this is simply a matter of the time that it takes to implement the scheme, the Government eventually produced the figure that they were "saving" £2.4 billion as a result of the delays. That is £2.4 billion stripped out of pension savings in the future for low and middle-income earners in this country. Of course, that comes on top of the £100 billion-plus raid on pension funds—one of the first acts of this Government back in 1997—and the 100,000 defined benefit schemes that have been wound up since 1997.

To coin a phrase, we simply cannot go on like this. Despite our criticisms and misgivings, I shall not be inviting my right hon. and hon. Friends to vote against this order tonight. To do so would only deprive millions of vulnerable people—pensioners, people with disabilities, struggling families—of the extra help that they need and deserve. What sort of people would deny such help?

Angela Eagle: Liberal Democrats!

Mr. Waterson: Got it in one. Apparently, the Liberal Democrats intend to do just that. They issued a press release, which presumably means that at least for one day their policy will remain the same. At best, it is

absurd posturing by a minority party. At worst, it is a cynical denial of help to the most vulnerable in our society.

Mr. Heath: I am most grateful to the hon. Gentleman. Does he recognise the fact that the last time we voted against an uprating—when we had the scandalous 75p increase—it resulted in the underpinning that the Minister has been boasting about this evening? Sometimes, when we make these points we can do a great deal of good for pensioners—his abstention will not do that.

Mr. Waterson: So, we are clear—the hon. Gentleman is making a point. The Liberal Democrats, knowing that they are never going to win these votes, are simply trying to make a point. I am sure that the hon. Gentleman has caught up with the fact that his party has, in recent weeks, abandoned its policies to introduce a universal citizens pension, free care for the elderly and free tuition fees. I wonder how much longer the queue of policies being replaced with mere aspirations will become.

We take an altogether more responsible approach. So, although we are far from happy with some aspects of the order, as I have explained, we will not seek to defeat or delay it.

9.35 pm

Steve Webb (Northavon) (LD): It is good to have the opportunity to debate these important matters, albeit just for 90 minutes. It sometimes amazes me that we spend a couple of billion here or there, but that the form is that such things go through on the nod without anyone even considering voting against them. It is absurd that Parliament simply has to take or leave the whole order on occasions such as this. The part of the regulations to which we object most strongly is the freezing of the state earnings-related pension scheme and state second pensions, but current parliamentary procedures do not allow us to select the bits that we do not like and try to change them, so we are faced with the unenviable choice of either taking or opposing the whole lot.

As my hon. Friend the Member for Somerton and Frome (Mr. Heath) has pointed out, the last time we chose to register our disquiet on behalf of Britain's pensioners by voting against the entire order was when the Government had increased the pension by just 75p. It is, perhaps, no surprise that the pension went up by £5 the following year, and that, as my hon. Friend also said, legislation went through shortly thereafter to ensure that a rise of 75p would never happen again. So, although we were mocked by those who knew perfectly well what we were doing at that time, history will show that we did the right thing then, and that we are doing the right thing now by voting as I encourage my hon. Friends to vote tonight. More than 50 of them have already signed early-day motion 957, which sets out our reasons for doing so.

Why do we propose to vote in that way? First, if we look at the additional state pension, SERPS and the state second pension, we see that this is not about a minority interest, although it might be a technical issue and something that people do not understand terribly well. Ministerial answers that I have received indicate that 6.5 million pensioners receive just SERPS pensions, 1.8 million receive both SERPS and state second pensions, and another 150,000 receive only the state second pension, so well over 8 million pensioners will not receive a 2.5 per cent. increase.

The Minister gave an average figure of 2 per cent., which I am sure is right, but the increase will vary a lot between pensioners who have very little SERPS pension, for whom this will not make a lot of difference, and those who have never contracted out, have never had a company or private sector pension and have been in SERPS all their lives. They will tend to have been lower-paid workers who did not have the opportunity of joining a good company scheme, and a big proportion of their total pension income will come from SERPS. They will therefore get less than the 2 per cent. figure that the Minister has quoted.

Mr. Alan Reid (Argyll and Bute) (LD): My hon. Friend is perfectly right. Let me give an example. This morning I received a letter from a pensioner in my constituency who will get an increase of £2.40 in her state pension, but who would have got an increase of more than £5 if the additional elements had gone up in line with inflation. That shows the significant impact that this Government proposal will have on real people.

Steve Webb: Absolutely. My hon. Friend highlights one of the strongest examples of this issue—the case of someone whose SERPS or state second pension is, by the sound of it, pretty much equivalent to their basic state pension. The Government might say, "Well, it's only a pound or so a week, on average," but that becomes half a billion pounds that would have been given to pensioners if the other elements had been increased by 2.5 per cent., as the basic pension was. On hearing the 2.5 per cent. figure, many people will have thought that that is how much their pension would go up by.

Like many hon. Members I do a lot of work on behalf of pensioners, and I often ask them to tell me what their basic pension is, because of particular schemes by which people can improve their basic pension, and almost without fail the figure that they give me is not their basic pension but their total pension. People simply do not make that mental distinction. The Minister—I hope that she will correct me if I am wrong—read something out from the pre-Budget report, which the public do not read, but she did not quote from the pre-Budget statement to the House, which was at least on the telly. If she can tell me that the Chancellor of the Exchequer made it quite clear in his statement that the additional parts of the pension would not rise in line with 2.5 per cent., I will happily give way to her—but she cannot. I think that we can only conclude that the Chancellor did not want the great British public to understand what he was doing—scooping half a billion pounds by not indexing the additional pension elements.

The Minister gave a slightly geeky answer on this point—I do not use that word as a term of abuse—when she said that there would be implications for people who are contracted out. She will know, however, that for part of the state pension, the graduated retirement benefit—she nods knowingly—which many older pensioners, especially women, often receive, there is no contracting out issue. When she responds to the debate, as I hope she will, rather than letting it peter out, will she explain why that element was not indexed? It would

[Steve Webb]

not cost a significant amount and there would be no "unintended consequences," as she described them. I asked her that question in response to the statement before Christmas. She did not deal with it then; I hope she will do so now.

There are strong arguments that people are being misled and that we should have had consistent indexation between the basic pension and additional pensions—*[Interruption.]* I am delighted to say that my hon. Friend the Member for Twickenham (Dr. Cable) signed our early-day motion in support of the position I am advancing.

Angela Eagle: As the shadow shadow Chancellor has just wandered into the Chamber, perhaps he should be made aware of the fact that his Front-Bench spokesperson is spending an extra £1.2 billion.

Steve Webb: I am only just warming up.

One of the key things the voting public will want to know is where we go from here on pension uprating. We heard a staggeringly evasive contribution—even by Tory standards—from the hon. Member for Eastbourne (Mr. Waterson), who protested that the Government had been uncertain about when they would restore the earnings link, yet when he was challenged directly to say when the Conservatives would do so, answer came there none. All we know is that the Conservatives have said they will find the money for the earnings link by increasing the male state pension age to 66. They said that they would do that in 2016, which on my reckoning is beyond the end of the next Parliament, so where will they find the money? If they propose to restore the link earlier, when will they do it? Pensioners are simply being told that that will happen at some point in the next Parliament.

The hon. Gentleman rightly derided the failure of the Labour Government to restore the earnings link for the past 13 years. His party failed to do so for 17 years, so we are up to 30 already. Does he seriously think that pensioners should be made to wait for up to another five years, on a "Vote for us: we won't tell you when we'll do it, but we might get round to it some time in the next five years" ticket?

Let us consider someone who has just reached pension age, say a woman at 60, or a man at 65, or—this has just occurred to me; this is live—a man who turned 65 in 1980, when Mrs. Thatcher—now Baroness Thatcher—broke the earnings link. Such a man will be 100 by the end of the next Parliament. Only then could he be confident that a new Conservative Government would have restored the earnings link. Should somebody who retired the year Mrs. Thatcher broke the earnings link have to wait until they are 100 to see it restored? Even in the world of pensions, that might be regarded as glacial progress.

My hon. Friend the Member for Twickenham has had his thumbscrews out. He has tested our sums and has concurred that the Liberal Democrat commitment for the pension should be to restore the earnings link not at some vague time in the next Parliament but with immediate effect—a link to the higher of prices or earnings, or ~~the~~ 2.5 per cent. underpinning. We have identified, as our costed manifesto always does, a list of things that we would not do, but this is the pension priority that we will introduce. That is why we were so disappointed when the regulations failed to meet that priority.

The point about pensions has been well made. To be fair, the hon. Member for Eastbourne was right to say that the headline rate of inflation really does not do it for pensioners. The retail prices index, in particular, is massively deflated by falling interest rates. Those are great news for people who have a mortgage and are borrowing money, but for pensioners falling interest rates are not merely not good news, but actually depress their incomes through falling savings rates. It is the infamous double whammy. The headline RPI is negative, which does not benefit pensioners, but their incomes are falling because of low interest rates—a double hit. Pensioners will not perceive themselves as having experienced no inflation.

We know that inflation is 3.5 per cent. or more, so to give pensioners an average of 2 per cent. in April, as the uprating does, will be a real cut. It is saying to pensioners, "You're first against the wall. You're first to take the pain of the recession." That is what the order does, which is why we shall oppose it tonight.

There are two issues relating to the order to which I want to draw the House's attention. The first is pensions. The second is the temporary child benefit and disability benefit increase. The Minister said that the Government were bringing forward a rise that would have happened next year. She asked in what sense there would be a real cut, and I will tell her. This year those benefits will increase by 1.5 per cent., when inflation is notionally nil or negative. Next year they will go up by whatever inflation is, less 1.5 per cent. Any graph of the real value of benefits would show an increase the year before the election and a fall the year after the election. That fits my definition of cynicism. The Government say, "Well, we'll bring some money forward just before you are about to vote for us, and then we'll claw it back the year after the election."

Indeed, it gets worse: the temporary bringing forward of the money is not consolidated into the rate of benefit that must be increased. In other words, the 1.5 per cent. does not go into the base level that is then indexed; it is taken away again and the indexation applies to the pre-increase rate. That is a curious notion of indexation. So this is purely about timing, and the idea that the electoral cycle might have some bearing on it is very hard to resist.

I want to raise a final issue, which is always the elephant in the room during such debates. I want to tell my hon. Friend the Member for Twickenham that I have found some money. In fact, I can tell him that I have found £50 billion—I do not want much of it—sitting in the national insurance fund. As hon. Members will know, along with the order, the Government Actuary's Department produces a report on the national insurance fund, and it tells us that the estimates for 2009-10 are payments of £75.7 billion and receipts of £78.1 billion. The recession may have done a bit to that, but the fund is more than £2 billion in surplus in 2009-10. Of course, that adds to the accumulated surplus in the fund, so that the balance at 31 March 2011, according to the Government Actuary, will be £50 billion—not a bad day's work, really.

The law only requires the balance in the fund to be one sixth of annual expenditure on benefits. The actual balance in the fund is about two thirds of annual estimated benefit payments. So pensioners' groups always ask us where the money has gone. When we find out where it has gone, it is a bit of surprise. A little of the money goes to the national health service, but the law says that most of it must go towards national insurance benefits, pensions and so on. But at the rates in the order, it cannot all be spent on national insurance benefits and pensions. They are not big enough to spend all the cash on, so the balance keeps rising year after year.

Where does the money go? My understanding is that the fund is a bit like a soft bank that lends money to the rest of public sector, so that the Government need not borrow it from elsewhere. Of course, when the Chancellor said in a recent Budget that he would increase national insurance contributions to help fill the hole in the Budget, he was doing so to spend that money not on national insurance benefits and pensions, but on others things, presumably. How can the fund be used as a label and a soft way to raise tax, when the money is not spent on national insurance benefits and pensions?

I wonder whether the Minister can tell us where the £50 billion is. Is it held by the national insurance fund? This is a serious question. Is that £50 billion, or is everything beyond the 16 per cent. that must be kept lent out? If so, to whom? Who is borrowing the national insurance fund? Where is it? Where is our cash? Who is borrowing it? What interest rate are they paying? Or is the national insurance fund being used as a sort of low-interest loan—a kind of Carol Vorderman approach to Government finances? I apologise to the Conservatives for using that example. Is this a way of getting in soft money at low interest rates to lend to the rest of the Government? Is that really what Beveridge had in mind? Did he think that the national insurance fund would essentially become a kind of easy credit option for the Government? We have come an awful long way since the start of the contributory principle.

It is deemed bad form to ask such questions. Clever people do not ask where the national insurance fund money is, because we all know that the fund is a work of fiction, but then why does the Government Actuary produce glossy reports telling us how much is in it? How much does it cost to produce the reports telling us that there is £50 billion in the fund, although when I ask Ministers about it they say, "But there isn't. Don't be silly, Steve. We know that the £50 billion isn't really there. There isn't really any money there at all, and you certainly couldn't spend it." Well, where is it? Why do we go through this charade every year? Either this is a charade or it is real money. If it is real money, where is it, and what is being done with it?

We would like to amend the regulations and take out the elements that freeze additional pensions, graduated pensions and state second pensions, but parliamentary procedure does not allow that. It would be nice to think that our votes in the House on Thursday on so-called modernisation would allow us, among other things, more scope to amend statutory instruments rather than simply voting for or against them, but we are not allowed that subtlety. We must vote for or against.

We have set out our reasoning on the Order Paper, in early-day motion 957. We will vote against the order tonight. If the Government were to say that that might deprive people of their benefit increases, as has been gently indicated, I have had a word with my hon. Friend the Member for Somerton and Frome, the shadow Leader of the House for the Liberal Democrats, and he has nobly said that he will be prepared to make time in the business of the House for a debate on a revised set of regulations as early as tomorrow. We would be happy to give extra time to debate a revised version of the uprating regulations tomorrow, with the offending elements amended so that everyone gets their benefit increase and the £500 million that has been taken away from pensioners can be restored. There need be no loss or administrative delay to anyone, simply a more rational set of regulations.

Mr. Heath: We cannot conclude without referring to the feckless position of the so-called official Opposition, who apparently cannot oppose such motions because it is beyond their wit to realise that it is proper to oppose a motion that does the wrong thing in the hope that a motion will be tabled that will do the right thing. Is that not a rather disingenuous argument, when they find no difficulty in voting against the Budget? If they were to succeed, there would be no Budget, no uprating and no expenditure.

Steve Webb: My hon. Friend puts it admirably. I apologise for going too soft on the official Opposition, but he reminds me to have a go. I have long since given up expecting consistency from the Conservatives on such matters. In a few months they hope to be pulling the levers of power, so they do not want to rock the boat too much. We heard from the Conservatives that they would abstain, which is their default position on so many key issues—*[Interruption]*—indeed, for the second time tonight on key issues. When pensioners in our constituencies ask us, "Where were you on 1 March?", I will say, with my hon. Friends, "We were voting against the freezing of your pension." I suspect that the Conservatives will have to say, "We were at home in bed."

9.52 pm

John Mason (Glasgow, East) (SNP): I thank the hon. Member for Northavon (Steve Webb) for leaving me time to make a few comments. I think highly of him and agree with a number of his points, including the suggestion that we should be able to amend such an order. The public would find it bizarre that we have to take it or leave it. I also agree that those at the bottom seem to be suffering the greatest pain from the recession. That is the basis for my remarks. I have some reservations, however, about the Liberal Democrat tactic of voting against the increase in order to get a bigger one.

The Minister made some interesting comments. For example, she claimed that the Government are protecting the most vulnerable. That sounds a reasonable statement, but when we look at what is happening in the wider economy and the amount of money that has gone into the banks and elsewhere, it sounds a little hollow. It is easy to speak about percentages. I noticed that the official Opposition and the Government are keen to talk about the percentages, be it 2, 2.5 or 1.5 per cent., but let us remember that in real terms in 1979 those at the top were earning about three times as much as those at the bottom. That has widened to four times as much.

[John Mason]

In wealth terms, according to the recent report on inequality, those in the 10th percentile now have 96 times the wealth of those in the 90th percentile. That is the kind of sick society that we are living in. Some in this society, as we have been reading, continue to get huge bonuses. We are arguing about a pension going up £2.40 a week. That will not buy a pint of beer in London and will barely pay for a decent coffee. We need to look at the actual figures, not just the percentages. Jobseeker's allowance is going up from £64.30 to £65.45, which is an increase of £1.15. I wonder how many of us could live on that, given that our salaries are about 19 times that amount. The Minister said that we need to be balanced about the costs. She said that the cost is about £2 billion, yet Trident submarines cost about £100 billion, so where is the balance in that? She also said that there needs to be an incentive to work, but perhaps that just shows that the minimum wage is far too low and needs to be part of the equation, instead of being lost somewhere else.

The hon. Member for Eastbourne (Mr. Waterson) talked about bribes and, presumably, referred to those same increases of £2.40 a week and £1.15 a week, but I just wonder what he would do for a bribe of £2.40 or £1.15—not very much, I suspect. We are disappointed that the deferred pensions are not being increased. The increases before us are not satisfactory, but anything is better than nothing.

Mr. Mike Weir (Angus) (SNP): My hon. Friend mentions the deferred pensions, but there is an issue of fairness, because a constituent came to see me about that very issue and made the point very clearly that, when she agreed to defer her pension, she was promised—in documentation that she was given and which she showed me—that it would be increased annually, along with the basic pension. The Government have broken that promise. Does my hon. Friend not agree that that is unacceptable?

John Mason: Yes, that is obviously the latest in a long line of promises that we have come to expect the Government to break.

Angela Eagle: Before the hon. Gentleman gets himself too worked up, will he at least admit that the legal underpinning is that the benefits should be uprated by the retail prices index? For the first time in 50 years we had a negative RPI, so the default issuance would have been zero. Given that we have been able to do better by spending £2 billion extra in tough economic times, will he at least acknowledge that we have done what we can to protect the vulnerable in very difficult circumstances?

John Mason: I should have answered the first intervention before I took the second one, but the point remains that the deferral was promised but not provided by a Government who have a large majority and can push through such measures if they really want to. I accept the Minister's point that the Government have done more than they are legally required to do, but the whole point about my brief comments is that we should not get lost in the small percentages; we need to look at the bigger picture and the pitiful amount on which many pensioners in this country have to live when others are fabulously wealthy.

Steve Webb: Will the hon. Gentleman give way?

John Mason: I was trying to finish, but I shall.

Steve Webb: I am very grateful. The hon. Gentleman is such good value that I want him to keep going. The hon. Member for Angus (Mr. Weir) put his finger on a very important point, because people have deferred the basic state pension. If I chose to defer my basic state pension, I would expect indexed increments on it, but, if the basic state pension is indexed and the deferral is not, surely that is inconsistent, if not challengeable.

John Mason: Yes, I completely agree that it is inconsistent, and, as my hon. Friend says to me from a sedentary position, the Government, as others have said, are saving money with this measure. However, I think that I have made my point, and I am happy to leave it at that.

9.58 pm

Justine Greening (Putney) (Con): I had not planned to contribute to the debate, but, having listened to contributions from both sides of the House, I want to make a few remarks in a brief contribution of my own.

Whatever the misgivings of some hon. Members, voting against the motion at some point would be excessively short-termist in outlook. There is a 1.5 per cent. rise this year, but, as my hon. Friend the Member for Eastbourne (Mr. Waterson) said, there is also a cynical attempt to withdraw it after the general election.

Mr. Waterson: Speaking of cynicism, I wonder whether my hon. Friend can help me on this point: does she understand the tactics of the Liberal Democrats in apparently intending to go into the Lobby to vote against the uprating of all these benefits while hoping against hope that they will lose?

Justine Greening: My hon. Friend makes a good point. It would be deeply irresponsible for the Lib Dems to play politics with payments that matter so much to millions of people across Britain, and to divide the House so as to vote against rises that will be very welcome, purely in order to campaign in their constituencies.

Dan Rogerson (North Cornwall) (LD): I am pleased that the hon. Lady has had the opportunity to come into the Chamber to contribute to the debate at this stage. She may not have been here when my hon. Friend the Member for Somerton and Frome (Mr. Heath) drew a parallel with the Budget. Her party often votes against the Budget, which might well contain important measures of which it is in favour, to make a more substantial point. Does she see a parallel there?

Justine Greening: There is a time to debate the reduction in pensions that might happen in the next financial year, and it is then. It is simply wrong to stand against rises that will be welcomed by millions of pensioners across Britain this year when we do not know what the outcome of the election will be and what will happen next year. I urge the Liberal Democrats to play a responsible role in this House instead of the irresponsible role that I suspect they desire to play.

10.1 pm

Angela Eagle: With the leave of the House, Mr. Speaker, I am happy to reply to the debate.

We have had an interesting debate. The issue that we all have to consider is how, in difficult and tough economic times, with unusual measures of price rises—in fact, real price cuts, with the retail prices index being negative—we deal with protecting the most vulnerable in society. Through this uprating statement, we have tried to put first the protection of the most vulnerable in society. That is why we set aside an extra £5 billion to expand and increase the active labour market policies that will help people back into jobs as swiftly as possible. It is also why we have tried particularly to protect the benefits that are traditionally uprated by the retail prices index by at least 1.5 per cent., or, in the case of the basic state pension, by 2.5 per cent.

However, as the hon. Member for Northavon (Steve Webb) was quick to point out, these increases do not apply to additional pensions. In fact, the underpinning to which he referred, which has been put into place by this Government since 2001, has only ever applied to the basic state pension. Amid all the bluster that we have heard tonight, nobody has claimed that the underpinning of 2.5 per cent. to the increases in basic state pension applied elsewhere. Nobody has tried to prove that point or to claim that we have somehow pulled the wool over people's eyes. In fact, my right hon. Friend the Chancellor has done exactly as was promised in 2001 by having an underpinning of 2.5 per cent. for the basic state pension.

Mr. Weir: I understand the Minister's point, but my constituent's point was that when she deferred her pension, she was given documentation stating clearly that the additional pension grant as a result of the deferral would go up with the basic state pension in every year. That is not happening this year. By deferring the pension, she did not get payments for a couple of years, which obviously saved the Government some money along the way. Does the Minister agree that it is unfair not to adhere to that promise?

Angela Eagle: I am happy to have a look at the documentation that the hon. Gentleman has, but it is important to remember that a negative figure on the retail prices index does not happen very often. It has happened only once in the past 50 years, so these are very unusual circumstances.

Members of both the main Opposition parties have gone around the country whipping up worries about the size of the deficit and saying that we have to cut it immediately—we should have started last year, according to the Conservative party, and the Liberal Democrats have been making similar noises. For them to come to the House and say that we should be spending another £1.2 billion on this uprating alone—in other words, giving the impression that they would like increased expenditure on this but less expenditure in total—is almost as incoherent as the view that a 1.5 per cent. increase somehow amounts to a cut.

We will increase working-age benefits by 1.8 per cent., in line with the growth in the Rossi index, and during these difficult global economic conditions, when we have seen negative RPI for the first time in 50 years and people might have expected a freeze, the Government have been able to deliver an above-earnings increase in the basic state pension of 2.5 per cent., an above-earnings increase of 2 per cent. in the standard minimum guarantee for pension credit for the poorest, and a 1.5 per cent. increase in key disability and carers' benefits.

I will not take lessons on pensioner poverty or anything else from members of the Conservative party, considering that when we came into government in 1997 the poorest pensioners lived on £69 a week, which is £98 in today's prices, and that no one now needs to live on less than £132.50 a week. There has been a real-terms increase of almost one third for the poorest pensioners. We have spent £100 billion more on pensioners since 1997 than would have been the case had we continued with the system that we inherited. We have provided for a real-terms increase above RPI in the basic state pension, and this is the fourth time in 13 years under the Labour Government that we have had a real-terms increase above prices. The Conservatives increased it only twice, once in their first year in government in 1979 and once to compensate for introducing VAT on fuel. It is clear that pensioners have had a much better deal from this Government. We are spending £13 billion a year more on pensioners than would have been the case had we kept the old system in place.

The Government believe in giving help to the most vulnerable in society at the time when they need it most, and we have focused that help on the basic state pension as the correct mechanism by which to do so. Carers, disabled people and those receiving statutory payments for parents will also receive an above-index increase in their benefits, ensuring that they do not fall behind. The order provides a package of uprating proposals that will put £2 billion in the pockets of the poorest and most vulnerable in our society, and I commend it to the House.

Question put.

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 3 March (Standing Order No. 41A).

Mr. Speaker: We come now to motion 7—*[Interruption.]* Order. I recognise that the deferral of the Division will come as a surprise to many right hon. and hon. Members, but equally they will know that I operate on the basis of the advice that is given to me by procedural—

Mr. Andrew Robathan (Blaby) (Con): Expert advice.

Mr. Speaker: They are procedural experts. I am grateful to the hon. and gallant Member for Blaby (Mr. Robathan) for his sedentary endorsement of the value of the Clerks' advice. I am operating on the basis of that advice, and it would not be proper to have a Division now. That is why it is deferred. I hope that explanation is helpful.

Local Authorities (Overview and Scrutiny) Bill (Money)

Queen's recommendation signified.

Motion made, and Question proposed,

That, for the purposes of any Act resulting from the Local Authorities (Overview and Scrutiny) Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(1) any expenditure incurred by the Secretary of State in consequence of the Act, and

(2) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*(Angela Eagle.)*

10.10 pm

Justine Greening (Putney) (Con): Thank you, Mr. Speaker. I can see that the hour is late and that you are looking a little tired, so I will try and ensure that I do not detain the House for long.

Mr. Speaker: Order. I am sure the hon. Lady is not suggesting that I am looking tired. I am full of vim, as is she.

Justine Greening: I was trying to ensure that you are engaged, Mr. Speaker, and I am delighted to say that I have achieved my objective.

I will not detain the House for long. Suffice it to say that this is a money resolution. On Second Reading, the official Opposition said that we would not stand in the way of the Bill. We do not think that it is drafted as effectively as it could be to achieve what we support, which is helping local authorities to enhance their abilities to scrutinise bodies that provide public services on the ground. Local area agreements are delivered in part by organisations that are not local authorities, and we want them to be subject to full scrutiny, too. On Second Reading, we debated how that might happen.

Although we have some concerns about the drafting of the Bill, we support the resolution, so that we can have the debate in Committee. As I am sure you would expect, Mr. Speaker, we aim to play our role in the debate in Committee by making a number of amendments further to improve the Bill, which is important. As I briefly touched on, we need properly to understand the scope of the Bill—it could be quite broad—and how it works. If we can do that effectively, we have a good chance of ensuring that it does not become onerous financially for local authorities.

On Second Reading, the Under-Secretary of State for Communities and Local Government, the hon. Member for Dudley, North (Mr. Austin), who is not in the Chamber, said that local authorities would continue to work within their existing budgets and that the only costs he expected to emerge from the Bill were extra compliance costs for the public bodies that will be subject to increased scrutiny. We should also not forget the extra burdens that could be put on private bodies.

We support the money resolution. We understand that the extra costs to local authorities could nevertheless be in the region of £4.5 million, but that the Government have committed to funding any extra costs under the new burdens principle. Will the Minister confirm that the £4.5 million that is set out in the impact assessment is still the Government's projected assessment of the cost of the Bill? Perhaps we will also debate that in Committee.

One final point is that if we are going to give councils and elected councillors more ability to hold providers of public services to account, we need to debate ensuring that councils can be set up with the structure that they think helps them not only deliver public services, but carry out that scrutiny best. They need to be given more freedom. In fact, the Local Government Act 2000 requires councils to abandon the traditional committee system and adopt either directly elected mayors or a cabinet system. We think that that is overly prescriptive, and that local government should be able to choose how to run itself more effectively.

Mr. Speaker: Order. The hon. Lady is displaying an imaginative interpretation of the terms of the motion—some might even go so far as to use the word "liberal", although I do not in any way wish to cast an aspersion on her—*[Interruption.]* Order. The sedentary contribution from the hon. Member for Croydon, Central (Mr. Pelling) probably will not assist matters even if it might be amusing. I know the hon. Lady will now wish to focus her remarks on the terms of the motion. Just to emphasise the point, the motion does not permit her to dilate on the subject of the Bill as a whole, but on the matters of overview and scrutiny, with particular reference—and reference only—to money.

Justine Greening: I was trying to be helpful to the Minister, because I was just about to wrap up by saying that we intended to table an amendment in Committee. I wanted to flag that up to the Minister—

Mr. Andrew Robathan (Blaby) (Con): It would save money.

Justine Greening: As my hon. Friend says, it could help councils to save money if they could operate more effectively.

We support the aims of the Bill and we look forward to debating it in Committee. This money resolution is important as it means that that can now happen. I look forward to that debate.

10.16 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): This Bill makes provision to require local authorities with lead responsibility for local area agreements to provide designated scrutiny officers with sufficient resources to discharge their functions. That is what the hon. Member for Putney (Justine Greening) was referring to in her contribution. This requirement may result in additional costs for authorities, which we estimate will be no more than £4.5 million a year.

In line with the new burdens doctrine, any net additional cost to local authorities as a result of this requirement will be fully and properly funded by the Government. The provision requiring these local authorities to resource sufficiently their scrutiny officers is necessary if the aims of the Bill are to be achieved. I commend the resolution to the House.

Question put and agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Income Tax

That the draft Special Annual Allowance Charge (Variation of Rate) Order 2010, which was laid before this House on 5 January, be approved.—*(Mr. Mudie.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Immigration

That the draft Immigration and Nationality (Fees) Regulations 2010, which were laid before this House on 20 January, be approved.—*(Mr. Mudie.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

That the draft Immigration (Leave to Enter and Remain) (Amendment) Order 2010, which was laid before this House on 20 January, be approved.—*(Mr. Mudie.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Social Security

That the draft Social Security (Loss of Benefit) Amendment Regulations 2010, which were laid before this House on 20 January, be approved.—*(Mr. Mudie.)*

Question agreed to.

ESTIMATES

Motion made, and Question put forthwith (Standing Order No.145),

That this House agrees with the Report [24 February] of the Liaison Committee.—*(Mr. Mudie.)*

Question agreed to.

PETITIONS

Bellamy's Bar Closure

10.18 pm

Mr. Christopher Chope (Christchurch) (Con): This petition, the first to be presented under the new procedure, was organised by Cassian Horowitz and is supported by some 470 staff working in the House of Commons. The large number of signatures was collected over just two working days, and that demonstrates the depth of concern about the proposals. It is a great honour to present the petition on behalf of these members of staff and perhaps others, who may have felt intimidated into not signing the petition when given the opportunity to do so. That was the subject of a point of order that I raised earlier today.

The petition states:

The Petition of staff working in Parliament,

Declares that the Petitioners are concerned at the announcement by the House of Commons Commission that it intends to close Bellamy's Bar, the Astor Suite and Bellamy's club room on the first floor of 1 Parliament Street in order to provide a day nursery; that the Petitioners believe that the estimated cost of conversion of £400,000 is unacceptable in the present economic climate, particularly having regard to the expenditure of £480,000 on refurbishing the facilities less than two years ago;

Further declares that the Petitioners deplore the fact that there has been no consultation with the users of the facilities or with those who work there, and find it unacceptable that there are no plans to replace the facilities elsewhere on the Parliamentary estate; and that the Petitioners believe that ground floor premises at Derby Gate which will become available during the next Parliament will be better suited for conversion into a day nursery.

The Petitioners therefore request that the House of Commons calls upon the House of Commons Commission to reconsider its decision, and to bring forward fresh proposals early in the next Parliament which take account of the demand for day nursery facilities among incoming Members of Parliament, their families, and staff, with a view to meeting that demand at an affordable price within the space to be vacated on the ground floor at Derby Gate.

And the Petitioners remain, etc.

[P000743]

Extra Gritting (NHS Savings)

10.20 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): It is also my pleasure, on this first evening of the new, improved procedures for the presentation of petitions, to present a petition initiated initially by me, but supported very much by the Spring Park residents association, under the strong leadership of its secretary, Marzia Nicodemi-Ehikioya. The petition concerns the important matter of how the national health service and local councils could work together to address the issue of expenditure arising from injuries from falling on ice on uncleared pavements, which leads to a great deal more expense for the NHS than is necessary and to a great deal of upset, concern and injury—and, for senior citizens who fall on the ice, sometimes life-changing injuries.

The petition reads as follows:

The Petition of People of Croydon,

Declares that there are huge increases in visits to A and E at Mayday after falls on treacherous ice on Croydon's roads and pavements and that it would be worthwhile investing in extra gritting such that less public money is spent caring for the injured or lost from reduced income tax and national insurance payments from those kept off work through injury.

The Petitioners therefore request that the House of Commons urges the Government to take steps to encourage the NHS and local Councils to work together to identify funds for extra gritting of pavements and roads so as to reduce costly and painful accidents.

And the Petitioners remain, etc.

[P000744]

Warm Front (Mr. D. R. Smith)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Mudie.)*

10.23 pm

Mr. Richard Benyon (Newbury) (Con): I welcome the Minister to the Treasury Bench to discuss an important matter concerning the Warm Front scheme. The idea behind Warm Front deserves nothing but praise. The scheme was introduced for the best of reasons, but too often it is failing in terms of how it is delivered. Like many hon. Members, I have received a number of complaints about how Warm Front, which involves loft insulation, cavity wall insulation, replacement boilers and heating systems, is implemented. There is a recurring theme of poor communication, broken appointments, missing paperwork, overpricing, offers being withdrawn at the last minute because funds are no longer available, and bad workmanship, the latter having resulted in two cases being brought to my attention by constituents forced to evacuate their homes, as they were uninhabitable. The Public Accounts Committee recognised the problem last July, when it identified the many failings in the scheme, and other organisations, such as Help the Aged, have been frank in the words that they have used.

The case that I would like to discuss today—the case of my constituent Mr. Dennis Smith—is of particular concern. Mr. Smith lives in a park home in Elm Grove in the town of Thatcham. He is an elderly and very vulnerable gentleman, but someone who strives to maintain his independence. He suffers from Parkinson's disease and associated problems. In short, he is an example of the very sort of person whom the scheme set out to help.

Mr. Smith attended one of my surgeries in November 2008 and told me that he had applied for, and been allocated, a Warm Front grant to cover the installation of a new boiler in his property. Unfortunately, he had inadvertently failed to follow the strict—and, I have to say, complicated—procedures to the satisfaction of Eaga, the company tasked by the Government to administer the scheme. This action resulted in the company's refusal to honour Mr. Smith's grant, after he had borrowed the £2,800 necessary to pay the installation engineers. Since then I have written some 20 letters and e-mails to Warm Front, to Eaga, to the Department of Energy and Climate Change and to the Minister, in an effort to get someone to examine his case with compassion, to apply some discretion and to give Mr. Smith the support that the scheme should offer.

Quality Heating Services—a Warm Front-appointed installer—undertook a technical survey of Mr. Smith's home, which was completed on 16 November 2007. The company informed Mr. Smith that the existing one-pipe heating system was unsuitable and needed to be converted to a two-pipe system, which would be external to the building. This was in spite of the fact that all park homes on the site, including the new ones, have one-pipe systems, and that the two-pipe systems are appropriate to bricks-and-mortar buildings, and not to park homes. Furthermore, the site manager was not happy with the proposal for the additional exterior pipework, and queried the need for it.

However, the installation was to go ahead, but when the three engineers arrived to carry out the work and saw the assessor's plan, they did not agree that it was suitable, and after a disagreement with the assessor on the telephone, they left. A few days later the assessor returned, collected the materials and the boiler, and told Mr. Smith to contact Eaga and ask for a different assessor to come out and look at the proposal.

Mr. Smith raised his concerns with Warm Front, and it was agreed that an alternative installer would be appointed to establish whether a different system type or configuration could be identified. The one-pipe or two-pipe system was not an issue for Eaga, but there was a problem concerning the layout and specification of the improvements. Mr. Smith is adamant that at no stage in the process did he dismiss the company, and had merely stated that he needed a minor change to the proposed specification.

On 27 February 2008 a telephone conversation took place between Mr. Smith and Alan Symes of Eaga, during which Mr. Smith expressed his concern that the work proposed was not what he had originally been led to believe. Following this conversation, Alan Symes contacted Eaga heating services and cancelled the work. This was confirmed in an e-mail, which I have seen. Eaga asserts that Mr. Smith cancelled the work during this conversation, but although it states that its telephone calls are recorded, the company has been unable to provide any evidence to back up this assertion. In the absence of proof to the contrary, I believe that we have to accept Mr. Smith's word that he did not cancel the work.

As a result of extreme confusion and frustration with the Warm Front system, and of the inadequate advice given, Mr. Smith instructed another firm to carry out the work in April 2008, in the full and certain knowledge that he had been awarded the grant. Apparently, that firm—Ultimate—was carrying out work on a neighbouring park home, and Mr. Smith was informed that that too was being done under the Warm Front scheme.

Unfortunately, it later transpired that the firm had not been appointed by Eaga, and Mr. Smith was subsequently informed that because he had had the work carried out privately, his outlay of £2,800 would not be reimbursed. Mr. Smith had borrowed that sum of money specifically to pay Ultimate's bill, under the mistaken impression that it was his responsibility initially to pay the installers, and he would be reimbursed by Warm Front. The work was carried out almost two years ago, and Mr. Smith is now in a position of extreme financial hardship as a consequence of Eaga's inability or unwillingness to resolve this matter.

In a letter to Mr. Smith dated 2 June 2009, Janelle Xavier of the customer contact unit at the Minister's Department stated:

"Although the installer you hired"—

Ultimate—

"may also carry out work for Warm Front,"

which it does,

"they had not been appointed to your particular case and so you did actually hire that company privately."

Ms Xavier goes on to say that she understands why Mr. Smith took the decision to appoint Ultimate, but that Eaga plc, the scheme manager,

"are unable to provide retrospective payments other than in cases where they can identify extenuating circumstances."

I believe that Mr. Smith's case demonstrates such extenuating circumstances.

I first wrote to Eaga on Mr. Smith's behalf on 15 December 2008 and received an unsympathetic response from a Mr. Redmayne, dated 27 January 2009. Although Mr. Smith admits that he inadvertently did not do things in the way prescribed by Eaga, this does not detract from the fact that he had already been awarded the grant. I cannot believe that no one has the ability, common sense or just plain compassion to use a little discretion in this particular circumstance. Mr. Smith is typical of the kind of person this scheme was set up to help, but unfortunately for him—he has this in common with a number of my other constituents—it is causing stress and aggravation, and is not achieving what it was intended to do.

Eaga relies on two points in its refusal to honour Mr. Smith's grant. First, it asserts that Mr. Smith himself cancelled the work, in February 2008. Mr. Smith vehemently denies this, and Eaga is unable to produce any transcript of the alleged telephone conversation in this regard—despite confirming that its telephone calls are recorded. Any sense of justice suggests that we have to rule out that assertion.

Secondly, Eaga asserts that Mr. Smith was applying for a grant retrospectively. This is just plain wrong, as it has never been disputed that Mr. Smith's application was approved before any engineers were instructed to visit the property. In fact, Eaga instructed the first contractors, but the work could not go ahead as the system planned was suitable only for a brick dwelling. As I said earlier, Mr. Smith's residence is a park home, which required an alternative method of installation.

Mr. Smith has co-operated with Eaga at every turn in supplying evidence and answering questions. He has written to a total of 10 different people, reiterating the same information time and time again. He has supplied full details of the installation finally carried out by an appropriately qualified engineer, together with a copy of the building regulations compliance certificate and confirmation that the local authority building control department has evidence of this work. The work is also covered by the CORGI workmanship warranty scheme for a period of six years from the date of installation. Eaga has not indicated that there is any problem with the work done. In fact, the installers meet the criteria laid down in Warm Front's own brochure.

It is cruel, and just wrong, to use the understandable confusion of an elderly gentleman to avoid paying a grant that was previously agreed. Furthermore, it has been reiterated in several letters that the money is still available to Mr. Smith at such time as he needs further assistance from Warm Front. Given that Warm Front's stance is that he is applying for a grant retrospectively, which it will not pay, it would seem that it is suggesting that he has his new heating system removed and reinstalled by a designated engineer, at which time they will pay up the grant that was agreed some two or three years ago. That is madness; it amounts to nothing more than a taunt.

You can detect in my delivery, Mr. Speaker, that I am intensely frustrated in dealing with this particular issue. Other people in my office have been dealing with it—seemingly day in, day out. At the end of it, we just have to consider that there is a vulnerable sick person who needs a bit of common sense to be exercised to sort the problem out. That is why I am asking the Minister to intervene.

This is a case where process has become the master, while compassion, flexibility and understanding have been forgotten. The Government should be proud of the Warm Front scheme, but Eaga and others involved in its implementation are letting them down. More importantly, Eaga is letting down precisely the kind of vulnerable people whom the Government seek to help. The Minister can intervene; he has the authority; it is taxpayers' money. I look to him now to rectify this wrong.

10.35 pm

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): I congratulate the hon. Member for Newbury (Mr. Benyon) on securing the debate, standing up so strongly for his constituent, Mr. Smith, and examining the record of the Warm Front scheme. I share his view that this hugely important scheme should bring maximum benefit to vulnerable households that would otherwise struggle to heat their homes.

Warm Front is the Government's flagship scheme when it comes to tackling fuel poverty. It has assisted more than 2 million vulnerable households across England since its inception in June 2000, including half a million households in the last two years alone. On average, each household receiving Warm Front assistance has the potential to save more than £300 a year on energy bills. That is a huge achievement, and we must not lose sight of it.

Every Warm Front applicant is offered a free and confidential benefit entitlement check. During 2008-09 just over 78,000 benefit entitlement checks were completed, 45 per cent. of which resulted in householders' entitlement to a new or additional benefit. That meant an average weekly increase of £31 in household income. Since the scheme began in 2000, 843 households in the Newbury constituency have benefited from a main heating or insulation measure.

Warm Front helps to mitigate the risk that households will be unable to keep warm at an affordable cost. A vital part of my Department's work is helping those vulnerable households to improve their quality of life, and helping to promote their health and well-being. The challenge involved in delivering such huge numbers of measures for vulnerable households should not be underestimated. The popularity of the scheme, and the fact that we are engaging with some of the most vulnerable members of society, mean that processes and procedures need to be followed to ensure a high standard of work and to provide the best possible outcomes for the customer and the scheme. I assure the hon. Gentleman that the appropriate mechanisms are in place to ensure that Warm Front delivers a high-quality service to those who come to us for assistance.

As I am sure many people know, the scheme is currently experiencing very high levels of demand, and managing that demand within the resources available has necessitated an extension of the time in which measures can be taken. Insulation work may take up to three months to complete, and Warm Front customers who are eligible for a new or replacement heating system may have to wait up to six months for it to be installed. In recognition of the pressure on the scheme, my right hon. Friend the Chancellor announced in his pre-Budget

[Mr. David Kidney]

report an additional £150 million for Warm Front in the current spending round. I realise that the potential waiting times may seem significant, but Warm Front is not intended to be, and cannot act as, an emergency service.

I cannot deny that the customer's experience is not always as good as we would like it to be. We, and Eaga in its role as scheme manager, continue to focus on that as a priority for action. We have made significant progress over the past few years. In 2008-09, 0.63 per cent. of complaints about Warm Front's work for assisted households were upheld. According to a recent report on the scheme by our independent auditors, WYG, customer satisfaction remains high, and 90 per cent. of all those surveyed were satisfied with the work that had been done.

Mr. Benyon: I apologise for interrupting the Minister, who is giving a great deal of important information about the scheme, but I do not want to let him sit down without referring to the specific case of Mr. Smith. I apologise again if he is about to deal with it, but can he assure me that he will address himself to the points that I have raised?

Mr. Kidney: I believe that there is plenty of time left for me to deal with Mr. Smith's case, and I intend to do so. However, I think it important to record the successes of Warm Front and the scale of the enterprise, and to explain the reasons for the procedures and processes that the hon. Gentleman has railed against.

I welcome the results of the WYG report and the National Audit Office report last year, to which the hon. Gentleman alluded when he mentioned the Public Accounts Committee, and which found the scheme to be largely effective and to deliver value for money. One of the NAO recommendations was to seek alternative technologies under the scheme. I welcomed that recommendation at the time, and have acted on it since. For example, we recently undertook trials on solar thermal systems, and are currently looking at air-source heat pumps and solid wall insulation.

In 2009, we trialled solar thermal systems on 125 homes. Unfortunately, we found that the systems do not generally reduce heating costs and therefore have little impact on helping to tackle fuel poverty. In rural properties off the gas grid, we are now undertaking a small-scale trial of air-source heat pumps. We are also trialling solid wall insulation on a 100 park homes in eight different locations. An evaluation of each of these technologies is planned for this summer. I hope both technologies will be a success in helping Warm Front customers.

The hon. Gentleman has previously raised the possibility of making retrospective payments to customers who have been awarded a Warm Front grant and who then arranged to have the work done privately. It is very important to me that customers receive a high standard of work at a competitive price. For that reason, we have in place an established procedure for the appointment of installers to work on the scheme and for the allocation of work.

The NAO report found the measures provided by the scheme to be competitively priced. However, we are making more changes to the way in which work is allocated to the scheme in order to be even more competitive. Under the new arrangements, which are now being rolled out across England, up to 35 per cent. of work will be allocated to appointed installers at a new, competitively derived, set price. For the remaining 65 per cent. of work, Warm Front-registered installers operating in each region will be able to bid via an electronic auction to establish the lowest price. That will help to ensure the continued focus on maintaining a competitive pricing structure. It will also provide customers with a choice when a contribution is required. Individual households will be free to choose between the three lowest bidders and will have access to the installer's performance rating, which will be measured through Eaga audits.

We have also recently introduced computer-aided design surveys that are done at the customer's home and immediately show where any heating and insulation measures will be placed. Engineers have been trained to use this new technology, which enables a quicker, more thorough survey process and reduces any misunderstandings the customer may have about recommended measures.

In using these processes, we honour our commitment to making sure customers receive high-quality installations that are competitively priced. We also honour our commitment to allocating work through the scheme to registered installers, while providing an element of choice for those who are being asked to make a contribution.

I understand the hon. Gentleman's concern with regard to the scheme being less flexible than he might wish for some customers. However, we must have safeguards in place to ensure the best outcomes for all. That is why we cannot fund work that has not been undertaken as part of the scheme.

I heard the hon. Gentleman raise concerns about workmanship in respect of the installation of Warm Front measures, and there has recently been some press coverage on the matter. The reality is that installing a heating system is often a complex and disruptive process. Just because Warm Front is a Government-funded scheme does not mean it is immune from these difficulties, and there will inevitably be isolated cases where the installation goes wrong. We cannot, however, let the existence of these isolated cases paint a misleading picture of the standard throughout the scheme. Warm Front performs an independent inspection of every central heating measure installed to ensure the work has been completed to a high standard. It also provides two years of emergency breakdown service and two annual service visits for gas installations. The Warm Front scheme manager operates an installer rating system which ranks the performance of contractors against criteria such as the inspection pass rate, complaint levels and waiting times. This system is then used to determine the levels of work allocated to each installer, with jobs diverted to the high performers. This system places continual pressure on installers to drive performance higher and ensure clients receive an excellent standard of service. I hope this provides some perspective in respect of the overall high standard of service that Warm Front delivers and is committed to maintaining.

I come now to the case of the hon. Gentleman's constituent, Mr. Smith. I am satisfied from my study of it that the appropriate advice and procedures have been followed when dealing with that application. The hon. Gentleman mentioned that I have written to him in the past, and I wish to confirm to him that I studied the file

and read the papers from Eaga about the case before replying to him. I would not want him to think that my response was in any sense dismissive of the case he made. I have listened to the greater detail that he has described in tonight's debate and, without giving any commitment to changing past decisions, I assure him that I will return to the office, study the record of this debate, look again at the file and speak to him again.

As I have outlined, we cannot make payments for work carried out outside the scheme, because we need to protect both the customer and the scheme. I wish to end by re-emphasising the vast positive impact that the Warm Front scheme is having on the lives of millions of households across the country. The scheme is recording the highest levels of demand we have ever seen; during the severe weather in January, the scheme manager received the highest number of inquiries ever in one week—50,000. That is 50 per cent. more than is normal for this time of year.

The vast majority of recipients are delighted with the service provided from the point of contact to the follow-up check after installation. It is difficult to overstate the difference a well-heated, well-insulated property can make to the health, financial security and well-being of a household. There will be instances when complications occur, and we will continue to work with Eaga to ensure that standards are pushed even higher. However, across the Warm Front scheme a high quality, value-for-money service is being delivered, which is helping people to keep warm in their homes. I am proud of what the scheme has achieved, and I look forward to it continuing to help many more of our most vulnerable citizens in the time ahead.

Question put and agreed to.

10.47 pm

House adjourned.

House of Commons

Tuesday 2 March 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Energy Security

1. **Nia Griffith** (Llanelli) (Lab): What recent discussions he has had in the General Affairs Council on measures to improve UK energy security. [319382]

The Minister for Europe (Chris Bryant): There have been regular discussions of energy security at a wide range of Council meetings, both formally and informally. We wholeheartedly support a robust united European position on energy security and a liberalised energy market.

Nia Griffith: Has my hon. Friend given any thought to having discussions with his European counterparts about the development of a European super-grid, which would enable us to transfer excess energy from one country to another and thus to make better use of renewables and to use less carbon-producing fuels?

Chris Bryant: My hon. Friend has laid out all the key issues that we need to address in bringing forward a united position on energy security throughout Europe. The third internal market package, which was brought together last year, lays out a series of ways in which different regulatory authorities can co-operate and ensures that there is some funding available to enable greater transfer of energy supplies from one country to another, and that will help, but in the end we must have a wholly liberalised energy market in the European Union, so that it is not rigged in its relationship to countries such as Russia.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Is there not concern that we have paid a high price for being the first to liberalise, while the rest of Europe has not liberalised? It is important to have a level playing field. Given that Ofgem's Project Discovery report is beginning to suggest that we need to row back from the completely open market in this country, where are we in trying to equalise the playing field between the UK and the rest of Europe?

Chris Bryant: We need to ensure that there is a level playing field so that British people can own energy companies in Germany, Spain and France, just as people from those countries can own energy countries in the UK. The hon. Gentleman is right that we need to ensure that the most vulnerable members of society are fully protected throughout the EU, especially in parts that sometimes have much more dramatic energy needs than we do, particularly in winter. The third internal market package makes specific provision for that.

Yemen

2. **Liz Blackman** (Erewash) (Lab): What recent assessment he has made of the political situation in Yemen; and if he will make a statement. [319383]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The recent ceasefire in northern Yemen offers hope for a longer-term, political settlement between the rebels and the Government. However, tensions continue to run high in the south. Yemen also faces a growing terrorist threat. The London meeting of 27 January galvanised international support for the Government of Yemen's reform efforts, which are essential to address Yemen's challenges and ensure its long-term stability.

Liz Blackman: I thank my right hon. Friend for that answer. Can he tell the House the outcome of the Gulf Co-operation Council meeting held in Riyadh last month? Can he elucidate the current position on Yemen?

David Miliband: My hon. Friend makes an important point. One of the key outcomes of the Friends of Yemen meeting in London was that the Gulf Co-operation Council should play a more proactive role in helping economic and other development in Yemen. At the meeting in Riyadh on 27 and 28 February there was agreement not only to a more intensive process of GCC engagement with Yemen for the first time, but to bring forward the aid flows that were promised in the 2006 London conference, which in 90 per cent. or so of cases have not yet been delivered.

Sir Peter Tapsell (Louth and Horncastle) (Con): Before the usual suspects send foreign troops blundering into a fourth Islamic country, will the Foreign Secretary draw their attention to the fact that the northern frontier of the Yemen is only 360 miles from Mecca, that the two main land routes for pilgrims on the Hajj cross its territory, that thousands of Yemenis fought against the Russians in Afghanistan, and that very large numbers of their offspring work in the oil states of the Gulf?

David Miliband: I am very disappointed to have to agree with the hon. Gentleman. He has spoken with characteristic force but uncharacteristic accuracy in describing all the points. His warnings are well made. I note his commitment in respect of the role that Yemenis play throughout this country, including in South Shields, the historic centre of the Yemeni population in Britain, and I commend him for his views on the topic.

Keith Vaz (Leicester, East) (Lab): I declare my interest in welcoming the steps that have been taken so far, including the visit to Yemen by my hon. Friend the Minister of State and the lobbying of the GCC. Is it not important that we now have a fresh initiative? Given the strong personal relationship between the Secretary of State and Mrs. Clinton—I think that she last described him as "vibrant and attractive"—is it not appropriate

for a joint visit to be made to Yemen? The German Foreign Minister has been there. I know that the Secretary of State sent his Minister of State, but a joint initiative between the United States and the UK could help the whole process.

David Miliband: Needless to say I have thought of many places for a joint visit with the Secretary of State and I shall certainly bear in mind the attractions of Yemen. To be serious, the Yemeni Government have taken some important measures since the 27 January meeting. For example, they have reduced fuel subsidies by about 9 per cent., arrested a major alleged arms dealer, removed an allegedly corrupt governor and, of course, brokered the ceasefire with the Houthi rebels. We should support such initiatives and will do so through the sort of visit that my right hon. Friend suggested and in any other way possible.

Israel-Egypt Frontier

3. **Mrs. Anne McGuire** (Stirling) (Lab): What recent discussions he has had with the Government of Israel on its plans to build a border wall along Israel's frontier with Egypt. [319384]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): We are in regular contact with both the Egyptian and Israeli Governments regarding Gaza and related matters. We recognise Israel's right to protect its citizens from acts of violence but make it clear at every opportunity that all measures must be in accordance with international law.

Mrs. McGuire: I am sure that my hon. Friend appreciates that the humanitarian situation in Gaza continues to cause grave concern to many, certainly in my constituency. I endorse his words about the security of Israel and acknowledge that the capacity of Hamas to fire rockets into Israel must be stopped, but I would like a reassurance from my hon. Friend that he is doing all he can to persuade Israel and, indeed, Egypt not to forget the people of Gaza who are suffering as a result of the current situation.

Mr. Lewis: The UK and the EU use every opportunity to call on Israel to remove all obstacles to humanitarian assistance getting into Gaza. If we are to secure a mainstream majority for peace, we need to enable Gazans to begin to rebuild their homes, public institutions and businesses. Equally, Hamas must stop rocket attacks against Israel and should release Gilad Shalit without preconditions.

Mr. James Clappison (Hertsmere) (Con): The right hon. Member for Stirling (Mrs. McGuire) has just asked the Minister to discuss the issues regarding Gaza with Israel and to persuade the Israeli Government, but how can we have proper discussions and a proper search for a peaceful solution with Israel when a leading Israeli political figure is threatened with arrest with a warrant issued by a British court under universal jurisdiction? What are the Government doing to clear away this effort to hamper the search for peace?

Mr. Lewis: The hon. Gentleman raises an important issue. We have made it clear, as have all parties in this House, that the principle of universal jurisdiction must be non-negotiable but that the means by which arrest warrants can be obtained is not acceptable. In this case, leaders from a strategic partner and close friend of Britain have been prevented from entering the United Kingdom. It could of course have the same impact on leaders of other strategic partners and friends of this country. We are seeking a satisfactory remedy that maintains the principle of universal jurisdiction but ends the unintended consequence whereby an arrest warrant can be obtained by individuals in dubious circumstances.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): The Minister will be aware that the Foreign Affairs Committee recently visited the west bank. We were not allowed to go to Gaza. We witnessed the creation of settlements that are causing physical apartheid and depriving many Palestinians of access to their land and therefore their livelihood. Exactly what pressure are the Government putting on the Israelis with regard to settlements?

Mr. Lewis: First, we should applaud the improvements that have been made on the west bank in security and economic development as a result of the leadership of President Abbas and Prime Minister Fayyad. We should also applaud the removal of some checkpoints by the Israeli Government. Having said that, settlements are both illegal and an obstacle to peace in the middle east. We have constantly called for a total freeze on those settlements. Prime Minister Netanyahu's partial freeze is an important movement but we believe that settlement expansion is not acceptable in the context of the peace negotiations that we hope are about to get under way.

Mr. Edward Davey (Kingston and Surbiton) (LD): Is the Minister aware that the blockade of Gaza has already turned a coastal strip into a net importer of fish—just one example of the damage being done to Gazans and to their economy by the blockade? While condemning all the rocket attacks launched from Gaza into Israel, has the Minister conveyed to the Government of Israel that they should be ending the blockade of Gaza, not tightening it still further with the wall? Do the Government oppose the building of the wall?

Mr. Lewis: I think that I have answered the question. I said clearly that the Government at every opportunity make clear directly to Israel and in the context of international institutions that all obstacles to humanitarian assistance and the capacity of the Gazans to begin reconstruction should be removed. We equally make it clear at every opportunity to Hamas that the rocket attacks must stop and that Gilad Shalit should be released.

London G20 Summit

4. **Mr. Neil Turner** (Wigan) (Lab): What assessment he has made of the implications for his Department's policies of the outcomes of the London G20 summit. [319385]

The Minister for Europe (Chris Bryant): In essence, the G20 London summit showed that international economic crises require international remedies in the form of clear and co-ordinated action in all the major economies. It is noticeable that not a single major economy currently believes in making savage cuts now.

Mr. Turner: Will the Minister expand on that, and tell us whether any countries had been planning for that, and if they were, whether they thought that that was fiscally responsible and their patriotic duty?

Chris Bryant: My hon. Friend's comments help to make the very good point that not a single major economy around the world is now proposing to make savage cuts. Indeed, all the major economies in the world, both within the European Union and elsewhere, are talking about how they can make sure that they maintain a level of fiscal stability by maintaining a fiscal stimulus. I would just quote the words of President Obama. He said last April:

"I think that this kind of co-ordination really is historic...I think that's a testimony to the great work that Gordon Brown did...I'm very proud of what's been done."

Mr. Nigel Evans (Ribble Valley) (Con): We will have quite enough time for all these party political shenanigans, so will the Minister just focus on what needs to be done now? He knows that world trade dipped by 12 per cent. last year, which is an absolute disaster, and Pascal Lamy has already said that he believes high unemployment could lead to protectionism. The United States has got "buy American only" clauses in its stimulus package of $780 billion, which is regrettable. Will the Minister use his good offices to promote, and help ensure, world free trade?

Chris Bryant: The hon. Gentleman makes the very good point that it is important that nowhere in the world resorts to protectionism in this case. That is why the G20 summit last year was particularly successful. Some countries tried to advance significant protectionist measures across the EU, and we were wholeheartedly opposed to that. I should say, however, that this is not just about free trade; it is also about fair trade. That is why we want reform of the common agricultural policy as well.

Ms Patricia Hewitt (Leicester, West) (Lab): I thank my right hon. Friend the Foreign Secretary for meeting members of the UK-India round table last Friday. Does my hon. Friend the Minister agree that the best way of recognising the rise of India and other new economies in the global economy would be to develop a strong permanent secretariat for the G20, and to locate it in New Delhi?

Chris Bryant: My right hon. Friend makes a good point about the need for a full-time secretariat for the G20, because although there are those who adopt a rather little Englander attitude towards economic problems, around the world there is generally a consensus that big economic problems require big economic solutions. That means much more action on an international basis. I would also say, however, that if Britain is to get the best out of our relationship with India, we need to make sure that the whole of the EU plays a far more co-ordinated role in relation to India, and that requires action that the Conservative party always seems reluctant to take.

Mr. Mark Francois (Rayleigh) (Con): The G20 discussed maintaining financial stability, which is an issue for Britain and many other EU countries, not least Greece. Does not their fate show how wise we in Britain were to retain the pound sterling? Why is it still Government policy to consider joining the euro when recent events only reinforce how mistaken that would be?

Mr. Speaker: That question was very wide. I suggest that the Minister be extremely discriminating in the way in which he replies.

Chris Bryant: I congratulate the hon. Member for Rayleigh (Mr. Francois) on his ingenuity and imagination. In trying to stay within the realms of a discussion of the G20 meeting, I should say that he knows perfectly well that Greece is not a member of the G20, and at the moment I do not foresee any prospect of its joining the G20.

Sudan

5. **Mark Durkan** (Foyle) (SDLP): What recent assessment he has made of the political situation in Sudan; and if he will make a statement. [319386][1]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): This is a crucial year for Sudan, with elections due in April and the referendum on self-determination for south Sudan in January 2011. We welcome the recent Darfur framework agreement and ceasefire. We urge all parties to work together to build a peaceful future for Sudan, whatever the referendum result.

Mark Durkan: The Minister will be aware that following that ceasefire agreement the President of Sudan said Darfur is now at peace. Since then however, the Sudanese military has attacked the Jebel Marra region. What information does the Minister have on that, including on civilian death and displacement, and what representations are his Government making?

Mr. Lewis: The hon. Gentleman is right to raise that issue, about which there is serious concern as it continues to destabilise prospects for progress. Our information is that more than 300,000 people have been forced from their homes—more than double the number in 2008. We have urged the Sudanese Government and the UN mission to prioritise the protection of civilians and to support reconciliation. We will argue for that in discussing the renewal of the UN's mandate in April.

Angus Robertson (Moray) (SNP): The EUFOR Chad mission in the region is key, and it is supported by more than 2,000 French troops, 500 Irish troops, 400 Poles, 200 Swedes, 160 Austrians and many more. Some in this House are very critical of other countries making small deployments to international operations, so could the Minister confirm whether only four UK service personnel are part of the mission?

Mr. Lewis: It is rather a unique moment when the Scottish National party calls for more British troops to be deployed somewhere in the world—however, this is no place for political knockabout, as the hon. Member for Ribble Valley (Mr. Evans) said. Let us be clear that the UK contribution to the United Nations-African Union Mission in Darfur has been more than £100 million. In March 2009, the UK contributed a further £1.85 million in discretionary funding for the training and equipping

1. *[Official Report, 8 March 2010, Vol. 507, c. 2MC.]*

of a Sierra Leone reconnaissance company to deploy to UNAMID, and we continue to explore all possibilities for further and effective UK support. The UK is doing more than its bit to contribute to the mission.

Dr. Brian Iddon (Bolton, South-East) (Lab): Will my hon. Friend comment on whether it is possible to strengthen the democratic process across Sudan and on how that is emerging?

Mr. Lewis: My hon. Friend raises the crucial issue. The elections are scheduled for next month, and we have so far pledged £12.5 million towards them. That funding has been focused on technical preparations, civic education and conflict management. We hope that the process will be credible; the voter registration process was conducted largely peacefully. The legal framework for the elections has been approved with a level of consensus, so we hope that they will be another milestone on the way to stability in Sudan.

Afghanistan

6. **Mr. Don Touhig** (Islwyn) (Lab/Co-op): What recent assessment he has made of the effectiveness of co-operation between Government Departments in the formulation of policy on Afghanistan. [319387]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The Prime Minister set out in April 2009 the Government's strategy on Afghanistan and Pakistan. It is a comprehensive approach that draws on the range of security, political and development levers in pursuit of our objectives and those of the international community as a whole. The test of effectiveness is on the ground, and it is widely recognised that the co-operation in the civilian-military mission in Helmand, which is led by the UK, is the best of its kind.

Mr. Touhig: At the London conference, my right hon. Friends the Secretaries of State for Foreign and Commonwealth Affairs and for International Development worked very hard to ensure that human rights, particularly women's rights, were high on the agenda. Can the Foreign Secretary tell us what progress has been made to ensure that human rights, and in particular women's rights, are protected throughout Afghanistan?

David Miliband: My right hon. Friend makes a very important point. The only basis for guaranteeing human rights is first, decent security, and secondly, the rule of law according to the Afghan constitution. That is why I think that since the London conference the major effort in Helmand province, including in Marjah, has been a significant step towards that goal. However, the strengthening of the constitutional framework at the national level remains a priority for the new Government.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): What terms of reference has the Foreign Secretary set for the latest review of the Helmand road map and, crucially, how do they differ from those used two years ago?

David Miliband: I will not try to dictate the terms of reference from memory, but I am happy to set them down and write to the hon. Gentleman.

Ann Clwyd (Cynon Valley) (Lab): Does my right hon. Friend agree that it is important that we continue to support the Afghans in order to improve their Government's capacity? We are still undertaking a similar process in Iraq, so does he welcome the forthcoming Iraqi elections as the next stage in that?

David Miliband: I certainly welcome the democratic advance in Iraq as well as in Afghanistan. I am sure that everyone will recognise the significant role that my right hon. Friend has played in strengthening human rights in Iraq and the example that she has set for our work in Afghanistan too.

Mr. Keith Simpson (Mid-Norfolk) (Con): Last month, President Karzai signed a decree amending the electoral law to allow him to choose all five members of the Electoral Complaints Commission and exclude the three non-Afghan members. Is the Foreign Secretary not concerned that the impartiality of the commission will now be called into question? It was very important, given the issues that it raised, at the previous elections. Should we not be bringing all pressure to bear on President Karzai, because this is what our troops are fighting for—democracy in Afghanistan?

David Miliband: Yes, I am very concerned, to use the hon. Gentleman's words, about the perception that might be raised about the impartiality of the Electoral Complaints Commission. The Electoral Complaints Commission, which sits alongside the so-called independent Electoral Commission, played a critical role in rooting out fraud in the presidential elections. The best way of making our views clear is to say the same thing in public as in private, which is that the people who are appointed to the panel will be scrutinised very carefully. If they are not to be internationals, they need to be people of the highest quality and integrity. I certainly hope that President Karzai chooses international representatives precisely to tackle the perception dangers raised by the hon. Gentleman.

Falkland Islands

8. **Lindsay Roy** (Glenrothes) (Lab): What recent representations he has received on UK sovereignty over the Falkland Islands; and if he will make a statement. [319390]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): Argentina has made a number of recent protests on this issue. The Government have made it clear that we have no doubt about the United Kingdom's sovereignty over the Falkland Islands. The principle of self-determination underlies that. There can be no negotiations on the sovereignty of the Falkland Islands unless and until such a time as the Falkland islanders so wish it. They have made it clear that they have no such wish.

Lindsay Roy: I thank the Minister for that response. May I ask in what ways the UK Government are supporting companies planning to drill for oil in the seas around the Falklands?

David Miliband: The best way of supporting legal and appropriate economic development around the Falkland Islands is to uphold the rule of international law. That is precisely what we are doing in the case of

the hydrocarbons exploration that is going on at the moment. The companies are acting wholly within their rights and within the legality of international law—*[Interruption.]* I am happy to answer a question from the hon. Member for Moray (Angus Robertson) if he would like to put it properly rather than from a sedentary position. There is a good answer to his question, if he chooses to ask it, concerning where the proceeds go. The best way to secure such rights is for international law to be upheld.

Sir Nicholas Winterton (Macclesfield) (Con): May I thank the Foreign Secretary for his unequivocal and reassuring response to the original question? Will he tell the House what special action has been taken to ensure that the mistakes of the early 1980s are not repeated and that the Argentines are given no encouragement whatever to think that they can take unprovoked, provocative action against a sovereign country and an independent people?

David Miliband: The most important way in which we can continue to secure the Falkland islanders' right to determine their own future is to continue the security presence that we have in the area. We do so on a routine and uninterrupted basis, and that is very important. We will continue to maintain in international forums as well as bilaterally with the Argentine Government the importance of upholding international law.

Mr. Tom Watson (West Bromwich, East) (Lab): The people of the Falkland Islands have very broad shoulders and they deal with Argentine sabre-rattling with great resilience. They do so because they know that all Members of this House give them our full support. May I ask the Foreign Secretary to consider sending one of his Ministers to the Falkland Islands before the general election so that they know that they have our solidarity and support and our very best wishes may be taken to them?

David Miliband: I am not sure whether my hon. Friend is suggesting that our military capacity and security presence somehow needs the reinforcement of a ministerial flak jacket in the Falkland Islands. My hon. Friend the Minister for Europe has been extremely active bilaterally both within the European Union and with other South American countries. It is important that we say that the right of the Falkland Islands to self-determination is absolute while, at the same time, continuing to work for co-operation with the Argentines, for example in the forum of the G20, which is a good forum for international co-operation.

Mr. David Lidington (Aylesbury) (Con): When the Foreign Secretary next meets the Argentine chargé d'affaires, will he perhaps suggest that the development of hydrocarbons around the Falkland Islands could benefit the people of Argentina as well as the people of the Falklands if Argentina were prepared to undertake normal commercial relations with the Falkland Islands, but that on questions of democracy and self-determination we cannot compromise?

David Miliband: I hope that the hon. Gentleman is not making a suggestion regarding the proceeds from that exploration. Perhaps he is trying to answer the question that the hon. Member for Moray raised earlier. I assure him that I do not have to go to see the Argentine chargé d'affaires, as my hon. Friend the Minister for Europe met the Argentine chargé on Friday, and was able to discuss this issue fully and in the round.

Bermuda (Buckfast Prohibition)

9. **Mr. Ian Davidson** (Glasgow, South-West) (Lab/Co-op): If he will discuss with the Government of Bermuda their policy on the prohibition of Buckfast tonic wine. [319391]

The Minister for Europe (Chris Bryant): I am always happy to discuss any matter with the Government of Bermuda, although the prohibition of Buckfast would be a matter solely for them.

Mr. Davidson: I am very glad to hear that, because Buckfast is a noxious substance that causes tremendous difficulties with antisocial behaviour and crime in my constituency and throughout the west of Scotland. It is very welcome news that Bermuda is considering banning it, and I welcome the fact that the Government will not intervene to prevent the Bermudans from doing so. Will the Minister undertake to give them a warm welcome when the new aircraft carriers visit Bermuda?

Chris Bryant: My hon. Friend proves that, in the words of Horace Walpole, the anniversary of whose death is today:

"This world is a comedy to those that think, and a tragedy to those that feel."

My hon. Friend is absolutely right about the issues relating to Buckfast. The Government in Bermuda have not made it clear that they want to ban it, but they have made it clear that they are considering the issue. They have already decided to reclassify some other alcoholic and caffeine drinks.

Tibet

10. **Norman Baker** (Lewes) (LD): What representations he has received on the effects on the indigenous Tibetan population of his Department's change of policy in relation to the status of Tibet. [319392]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The decision to update our position on Tibet brought the UK into line with international partners, including the United States, and the position of the Dalai Lama himself. It gives us a stronger platform to raise the issues that matter to the people of Tibet, and we have been raising those issues. I have been very clear in my contacts with the Chinese leadership that we have serious concerns with the human rights situation and the lack of meaningful autonomy in Tibet. I have urged them to engage in dialogue, and I will do so again when I visit China later this month.

Norman Baker: I am grateful for the response that I have been given, and I recognise that the Government have been doing lobbying of that nature, but I am concerned that there has not been one single concrete achievement for the Tibetan people as a consequence of that change of policy. I do not refer to the visit to Tibet by the Minister of State, Foreign and Commonwealth Office, the hon. Member for Bury, South (Mr. Lewis),

as that was not for the Tibetan people. Can the Foreign Secretary, in all honesty, point to a single thing that has been achieved for the people of Tibet arising from that change?

David Miliband: The hon. Gentleman raises an important issue. In the end, the test is whether there is an improvement in conditions on the ground. If we are to have any kind of engagement on that internal issue, we have to do so through forums such as the human rights dialogue that we have now established with China, in relation to which there has recently been a visit to Tibet. Such engagement is important, and I look forward to reporting back on the discussions that I shall have in China later this month.

Mr. Chris Mullin (Sunderland, South) (Lab): Has my right hon. Friend any information about the whereabouts of the Panchen Lama, who was for all practical purposes kidnapped at the age of five or six by the Chinese Government and has not been heard of since, even now, about 15 years later? Has my right hon. Friend ever asked the Chinese about the whereabouts of the Panchen Lama?

David Miliband: Yes; the issue is raised regularly. It was raised most recently by my hon. Friend the Minister of State during his visit to Tibet, but no we have never had an answer.

Iran

11. **Mr. David Amess** (Southend, West) (Con): What recent assessment he has made of the political situation in Iran; and if he will make a statement. [319393]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): Iranian authorities continue to suppress legitimate protest, restrict civil liberties and threaten violence, even execution, to silence dissent, but the Iranian people continue to demand their fundamental rights. We urge the authorities to respect the right of their citizens to be heard.

Mr. Amess: Efforts for peaceful regime change seem to have stalled at the moment, but the Iranian President continues with his development of nuclear weapons and his hatred of Israel. Will the Minister tell the House what specific pressure is being put on the Iranian regime to improve its human rights record?

Mr. Lewis: The hon. Gentleman is absolutely right to raise the issue at this time. Amnesty International says that it is the worst human rights situation for 20 years. The way in which the Iranian authorities attempted to quell protests during the national day celebrations has rightly been described as

"a chilling campaign of threats and intimidation".

We, in the context of the European Union and with our allies in the United Nations and the United States, constantly apply pressure to the Iranians about their human rights record and their nuclear file.

Frankly, we have reached out an olive branch to Iran. We have offered a diplomatic and political way forward but, instead of getting a positive response, we have seen a deterioration in internal human rights there. In addition, Iran has not co-operated in meeting its responsibilities under international obligations with regard to its nuclear weapons capacity. That is why we now believe that the only way forward is to consider tougher economic sanctions against Iran.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Has the Minister had any discussions with representatives from the Shanghai Cooperation Organisation, which involves Russia, China, India and Pakistan among others, to see whether it can exert pressure on the Iranians to cease their nuclear installation programme?

Mr. Lewis: We have had those discussions with Russia, but not with the Shanghai organisation to which my hon. Friend refers.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Is the Minister aware that on 14 February, in the presence of representatives of the International Atomic Energy Agency, the Iranian authorities transferred almost their total supply of low-enriched uranium from a deeply protected underground facility to a surface plant, for no obvious reason? Does the Foreign Office have a view about why that might have happened, particularly as it makes the country's very valuable enriched uranium far more vulnerable to possible military action?

Mr. Lewis: This has been discussed in the IAEA only this week. It is a serious escalation of the situation that should give the international community more cause for concern. As the right hon. and learned Gentleman is fully aware, it is essential that we achieve international unity over the next stage, which is adopting economic sanctions, especially against the decision makers in the regime. We have seen no attempt by the Iranian authorities to respond positively to our requests for diplomatic and political solutions. The door remains open, but we have no choice now but to consider economic sanctions.

Jeremy Corbyn (Islington, North) (Lab): I thank the Minister for what he said about human rights in Iran and I agree with him on that. Will he look forward to the non-proliferation treaty review in May and extend efforts to create a nuclear-free middle east? That would help to defuse the situation and bring Israel into discussions about nuclear disarmament, which in turn would remove any arguments that could be used in favour of developing nuclear weapons in the region.

Mr. Lewis: My hon. Friend makes an important point. Every UN resolution on the question of Iran's nuclear weapons capacity that has been proposed and passed talks about a middle east that is free of nuclear weapons. As a result, it is simply untrue for the Iranians to say, as they sometimes attempt to do, that we are not playing on a level playing field when it comes to our response to their nuclear weapons capacity. We should remember that this is not just about the threat to the stability of the middle east that would be posed by Iran developing nuclear weapons. The arms race that would be triggered in the region would be like nothing we have ever seen before, and that is why it is so crucial that we stop Iran developing nuclear weapons.

Mr. William Hague (Richmond, Yorks) (Con): At the last Foreign Office questions, the Foreign Secretary assured the House that it would not take "several months" for new UN sanctions on Iran to be agreed. That was in January; it is now March, and the US Secretary of State

has said that it may take up to two months more for those sanctions to be agreed. Does he need to modify in any way what Ministers have said about that, and should we not now be galvanised, for some of the reasons that the Minister has set out, into urgently adopting new sanctions? The latest IAEA report says that Iran has amassed a dangerous stockpile of enriched uranium, and that it may be working on a nuclear warhead and have secret nuclear sites.

Mr. Lewis: Modifying statements made by the Foreign Secretary is not a good career move from my point of view—*[Interruption.]* Not everyone agrees, necessarily. I genuinely think that the right hon. Gentleman and I are in agreement on these issues. Of course speed is important, and it is urgent that we send the strongest possible message to the Iranians, but he would agree that unity matters too. If the Iranians spot any sense of division in the international community, that could undermine the power of our message. It is worth waiting those few extra weeks if it means that we can achieve the maximum international support that we need if we are to take the further economic sanctions that are so crucial.

Mr. Hague: It is of course vital to have that unity, but there must also be a necessary sense of urgency. Will the Minister set out what the British Government are doing diplomatically to ensure that other nations in Europe and around the world are ready to co-ordinate tighter sanctions, if necessary on top of and in addition to what is agreed eventually at the UN Security Council? That could include action against the Iranian Revolutionary Guard Corps, as well as tough financial sanctions and targeted action against the Iranian leadership. Is it not time to step up our diplomatic efforts on this matter, if Iran is to take our resolve seriously?

Mr. Lewis: We are leading the argument at the UN and in the EU. We are using our bilateral relations to encourage countries with influence over less supportive countries to move immediately to sanctions; we are using all those diplomatic channels, from the Prime Minister downwards. As I said, speed matters and the urgency of the message to the Iranian Government is important, but so is maximum international unity if they are to take that message seriously.

Rob Marris (Wolverhampton, South-West) (Lab): The regime is despicable, but why is it so troubling to the United Kingdom that Iran is going nuclear when so many other countries have already done so—for example, India, Pakistan and, of course, Israel? Does that not smack of double standards?

Mr. Lewis: I have a massive amount of respect for my hon. Friend, but he does himself a disservice by sending that kind of message from the House to the Iranian Government. Let me make the position clear. Of course, Iran's development of nuclear weapons is a threat to stability in the middle east, but it would also trigger an arms race the likes of which we have never seen before among Iran's neighbours. In a year in which the world is seeking to make progress on non-proliferation in the review of the non-proliferation treaty, this is about the threat that Iran would pose to our national security and that of countries in the region, but it is also about the arms race that it would inevitably trigger.

Piracy (Somalia)

12. **John Howell** (Henley) (Con): What recent discussions he has had with his international counterparts on piracy around the coast of Somalia. [319394]

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): My right hon. Friend the Foreign Secretary regularly discusses piracy off the coast of Somalia in both bilateral and multilateral meetings. Recent discussions took place during the Yemen conference in January and the EU Foreign Ministers meeting in November 2009.

John Howell: Does the Minister agree that the root cause of that piracy is instability in Somalia and the surrounding countries, so what progress has been made to stabilise them?

Mr. Lewis: The hon. Gentleman is absolutely right to say that this is a broader question of stability. We have decided, quite rightly, as part of the international community, to support the transitional Government. This issue requires an approach that is about security as well as more inclusive and effective government, and getting the economy and social provision moving in Somalia. Through the Department for International Development, we are applying an integrated approach, bringing together security, improved governance and development, and the international community needs to adopt that approach if we are to bring stability to Somalia.

Tony Lloyd (Manchester, Central) (Lab): The hon. Member for Henley (John Howell) is absolutely right. Although I appreciate my hon. Friend's comments, the reality is that the world has been very slow to recognise both the seriousness of the vacuum of power in Somalia and the serious threat that that represents to individuals through piracy and to the wider community in east Africa and globally. Is it not time that we said to Washington and to others who are involved that we need to apply proper pressure to build an effective infrastructure in Somalia?

Mr. Lewis: My hon. Friend is absolutely right. It is okay to discuss a joined-up UK approach on security, governance and development, but we need members of the international community to come together in a co-ordinated way. We are working closely with our EU partners and the United Nations, including the special representative of the Secretary-General. This is an issue that is increasingly discussed in the context of our bilateral relationship with the United States.

Falkland Islands

13. **Mr. Andrew Robathan** (Blaby) (Con): What assessment he has made of the implications of the Argentine Government's position on oil drilling in the waters around the Falkland Islands; and if he will make a statement. [319395]

The Minister for Europe (Chris Bryant): Argentina's reaction to the resumption of hydrocarbons exploration in Falklands waters has not changed the British Government's position one iota. We have no doubt

about Britain's sovereignty over the Falkland Islands, nor about the islanders' full right to develop a hydrocarbons industry.

Mr. Robathan: I am very glad to hear that response. In 2003, we gave unequivocal support to the United States of America on Iraq, and we are now fighting shoulder to shoulder, and our soldiers are dying together, in Afghanistan, yet the US Government are equivocating on the subject. Will the Minister tell me what Hillary Clinton might facilitate when she offers to act as a facilitator?

Chris Bryant: The US Government's position, which they have held since 1947, has not changed at all in any recent discussions, and we have made it absolutely clear that we do not believe there is any need for negotiation or discussion, because there is nothing to discuss in terms of sovereignty over the Falkland Islands, which should be a self-determined issue and solely a self-determined issue. The one point on which we would be prepared to continue negotiations is a return to the 1995 joint declaration on hydrocarbons co-operation from which the Argentines themselves withdrew unilaterally in 1997.

Mr. David Hamilton (Midlothian) (Lab): On the question of Afghanistan, the issue surely must be—*[Interruption.]* I am sorry, we have taken the questions too quickly. My apologies. I was getting up for the question on Afghanistan. I got the wrong question.

Mr. Speaker: I am sorry to have inconvenienced everyone. Let us hear from Mr. Russell.

Bob Russell (Colchester) (LD): The Falkland Islands, in the south Atlantic, are very important to Britain's interests. May I draw the Minister's attention to the fact that without Ascension Island the Falklands could not be sustained, and that without the people of St. Helena living on the Falklands and Ascension Island the Falklands could not be sustained? Is it not time that Britain looked at the whole south Atlantic as a single strategically important part of the world?

Chris Bryant: The hon. Gentleman makes a very good point, and I have had many conversations with the Ministry of Defence about ensuring that it recognises the financial requirements on Ascension. We also have a duty to stand by St. Helena.

UK-Argentina Relations

14. **Mr. Richard Benyon** (Newbury) (Con): What recent assessment he has made of the state of relations between the UK and Argentina; and if he will make a statement. [319396]

The Minister for Europe (Chris Bryant): We have a productive relationship on a range of issues, including in the G20, such as climate change, sustainable development and counter-proliferation. We hope that current tensions over the Falklands will not escalate and undermine our co-operation on other issues.

Mr. Benyon: Argentina today is very different from the Argentina of the early '80s. It is a wonderful place full of many people who share our values. Does the Minister agree that the Government should reach over the head of Argentina's rather dysfunctional Government in Buenos Aires to the people of Argentina in order to communicate the fact that this is not a simple, tired, post-colonial issue but is about the islanders' right of self-determination?

Chris Bryant: The hon. Gentleman is absolutely right to say that this is a matter of self-determination for the people of the Falklands. When some people—Argentines—suggest that there are not any indigenous people to the Falklands, I point out that many people from Argentina are of Italian, British, Scottish and German stock, going back fewer generations than the presence on the Falklands Islands. [HON. MEMBERS: "And Welsh."] For that matter, as several hon. Members are pointing out, many people of Welsh stock live in Patagonia.

I know that the relationships between our two countries are very strong, and there are many areas in which Argentina has been extremely courageous, not least in relation to counter-proliferation. We stand ready to work with it on all those issues, as I pointed out to the chargé d'affaires the other day. It would be good if it had an ambassador back in London.

Topical Questions

T1. [319407] **Mrs. Anne McGuire** (Stirling) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): On Saturday, Chile was struck by an earthquake of magnitude 8.8 on the Richter scale. My thoughts and, I am sure, those of every Member are with the families of those killed and injured. Currently, there are no confirmed British casualties. We have located more than 270 British nationals and confirmed that they are safe. The Government have made an initial donation of £250,000 to facilitate the work of the Red Cross in Chile, and the European Union has provided an immediate €3 million for the relief effort. My right hon. Friend the Prime Minister spoke to President Bachelet yesterday to offer further support and condolences on behalf of the whole country.

Mrs. McGuire: I thank my right hon. Friend for that update on the situation in Chile.

My right hon. Friend travels the world vigorously promoting the UK's foreign policy interests. In any of those multilateral and bilateral discussions, which he has had over some years, has it ever been suggested to him that it is unpatriotic of a British Foreign Minister to work for the return of a Labour Government at home?

David Miliband: My right hon. Friend makes a very important point. I, like many people, was shocked by the Leader of the Opposition's suggestion that it was somehow unpatriotic to work for the re-election of a Labour Government—or, for that matter, for any other party. I am sure that the right hon. Gentleman was showing his inexperience, and I think that he should apologise to all Labour voters in this country.

Mr. William Hague (Richmond, Yorks) (Con): Ignoring the last remark, may I associate the Opposition fully with what the Foreign Secretary said about the situation in Chile and the action that the Government have taken and endorsed?

On the separate matter of the killing of Mr. al-Mabhouh in Dubai, the Foreign Secretary said to me in a letter last week that

"if the Israelis had been responsible for this, the UK would have the strongest expectations that this would not happen again."

I think the whole House will back him up in that. However, may I repeat a question that I have now asked Ministers twice? Did he specifically ask his Israeli counterpart for an assurance that Israel will never sanction the misuse of British passports in any future intelligence operation? Will he seek such an assurance, and does he have any expectation of receiving such an assurance?

David Miliband: Of course I make it clear, not just to Israel but to any country, that we have every expectation that no country, especially a friendly one, would interfere with British passports or promote their fraudulent use. I made that clear to the Israeli Foreign Minister, and I do so to anyone else who is considering such a course. The Israeli Foreign Minister insisted to me that he had no information that corroborated allegations of Israeli involvement, but I none the less made clear to him our very strong view that Israel should co-operate with the investigation that has been launched by the Serious Organised Crime Agency, and that, as I said clearly in my letter, we had every expectation that if there had been an occurrence such as this, it would never happen again.

T3. [319409] **John Robertson** (Glasgow, North-West) (Lab): My right hon. Friend will be well aware of the situation in Nigeria, where President Yar'Adua had been out of the country for health reasons and then came back without being seen, and the Vice-President had no access to him. Meanwhile, the post-amnesty problem in the Niger delta is getting worse. Will he have a word with the Nigerians to ensure that British citizens working in Nigeria will be protected?

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): My hon. Friend has a long-standing interest in Nigeria and always tries to be constructive on the issue. Of course, the situation is very difficult. The President has returned to the country and the acting President continues to govern. What is important is that the Government of that country behave in accordance with its constitution and rule of law. We welcome the fact that the acting President has committed to make progress on the Niger delta amnesty programme, electoral reform and addressing corruption. It is obviously important that, at this very delicate time, we try to contribute to securing maximum stability, which will in turn protect British citizens in Nigeria.

Mr. Edward Davey (Kingston and Surbiton) (LD): What pressure is being brought to bear on the Sri Lankan Government to release, as soon as possible, an estimated 100,000 Tamils who are still being held in internally displaced persons camps 10 months after the fighting ended?

David Miliband: In every conversation that I have with the Sri Lankan Prime Minister, I make the precise point that for the future of Sri Lanka, after the end of a bloody civil war that lasted 26 years and claimed the lives of some 70,000 people, the process of political reconciliation, including constitutional reform, needs to start immediately, but also that there is a short-term, immediate humanitarian issue in respect of the 100,000 or 80,000 IDPs. It is obviously a good step forward that instead of 280,000 or 300,000 IDPs there are 100,000 or 80,000, but the number needs to get down to zero as fast as possible. That is certainly the case that we make publicly and privately in all forums.

T4. [319410] **Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): Has the Secretary of State visited Cuba recently, and if he has not, does he have any plans to do so? *[Interruption.]*

David Miliband: I would be delighted to visit Cuba—and delighted, of course, to go with Mrs. Clinton. My hon. Friend raises an important point, and if I were to go to Cuba, I would insist on meeting the Opposition as well as the Government. That is a common EU position. I am very disappointed that the right hon. Member for Richmond, Yorks (Mr. Hague) went to Cuba without meeting the Opposition. If I went, I certainly would not go on a free flight on Ashcroft airways, and if I ever met Lord Ashcroft, I would want to know what his tax status was. I hope that the right hon. Gentleman will explain that when he—

Mr. Speaker: Order. We do not need to go into that now.

T2. [319408] **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): In June last year, I asked the Foreign Secretary about the provision by Britain of military training to the vile Sudanese regime. At the time, he said that he would review the matter and come back to me. Some eight months later, he has not yet done so, so will he kindly give me an update now?

David Miliband: I am happy to give an update by letter, and I will send the hon. Gentleman a letter as soon as I can.

T8. [319414] **Mark Durkan** (Foyle) (SDLP): The Foreign Secretary has told us what the Israeli Foreign Minister, Mr. Liberman, insisted to him. Does he believe Mr. Liberman, and does he expect the House to do so?

David Miliband: I certainly would not tell the rest of the House what to believe. However, I would say, very seriously, that an investigation is going on. It is right that while allegations fly around, we should wait until the conclusion of our investigation before coming to any conclusions.

T5. [319411] **Mr. Anthony Steen** (Totnes) (Con): Those who visited the excellent exhibition on human trafficking in the Upper Committee corridor last week would have been impressed by the stories of domestics working for embassies, many of whom were treated as domestic slaves. Will the Foreign Office now support the Home Office decision to amend the diplomatic domestic visa, so that those maltreated domestic workers no longer face deportation if they run away from the embassy in which they have been maltreated?

The Minister for Europe (Chris Bryant): The hon. Gentleman makes a very good point, and I know that he has devoted a considerable part of his political career to addressing that issue, for which I pay tribute to him. One terrible problem faced by people—normally

young women, but sometimes young men—in that situation is that they are in a complex double bind: if they try to break free, they will be sent back to the country of origin. We are looking very closely at that situation with the Home Office, and I hope we can provide a satisfactory answer fairly soon.

T9. [319415] **Lindsay Roy** (Glenrothes) (Lab): Will my hon. Friend tell me what steps his Department is taking to promote free and fair elections in Burma later this year?

Mr. Ivan Lewis: Recent events in Burma do not encourage us to believe that the elections will be free and fair. For example, Aung San Suu Kyi faced trumped up charges, a bogus trial, and a sentence that was an offence to any notion of justice, and now her appeal has been thrown out. Of course, we continue to hope that the Burmese authorities will miraculously change their position in the weeks and months ahead, so that the elections will be free and fair, but that will require not only the release of Aung San Suu Kyi but the changing of the constitution and the release of more than 2,000 political prisoners. We continue to hope, but I must say that we are very sceptical about the prospect of those elections being free and fair.

T6. [319412] **Mr. James Gray** (North Wiltshire) (Con): Despite the potentially significant costs to US-China relations, President Obama was none the less happy to meet the Dalai Lama. Why did the Prime Minister refuse to do so?

David Miliband: The Prime Minister did meet the Dalai Lama.

T10. [319416] **Hugh Bayley** (City of York) (Lab): Co-operation between NATO and the European Union continues to be undermined by the absence of agreement between Turkey and Greece on the long-term future of Cyprus. What are the Government doing to try to resolve that situation?

Chris Bryant: We are very keen to use the current opportunity—Governments in Ankara and Athens, and leaders in the north and south of Cyprus, who are committed to a successful, whole settlement in Cyprus—and determined to do everything we can to ensure that there is a further intensification of those talks. The current situation on the island is a tragedy of significant proportions, and it will never be resolved unless there is a comprehensive settlement.

T7. [319413] **Mr. Andrew Robathan** (Blaby) (Con): To return to the vexed situation in Iran, I am sure we agree that the best solution would be a more moderate and democratic Government in that country, yet the oppressive Ahmadinejad regime is now blocking all international broadcasts, including BBC Persian TV. Could the Government put pressure on satellite broadcasters that are used by Iran via the International Telecommunications Union, and consider including telecommunications in any proposed sanctions? That would at least allow the people of Iran to see a different view to that which their Government want to show them.

David Miliband: The hon. Gentleman makes an important point. Not just the BBC but Deutsche Welle and other international broadcasting organisations are being blocked from Iran. That is doubly significant given the popularity of those international stations. He makes the very good point that we should be working hard to get those airwaves free again. We are certainly doing so bilaterally, but I can assure him that we are also doing so on the multilateral scene.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Checkpoints in west bank cities have been reduced from 41 to 14. How far is this responsible for economic progress on the west bank?

David Miliband: Obviously, the reduction in checkpoints is welcome. I have the latest figures for 2008 and 2009 for economic development in the west bank and I have discussed them with Prime Minister Fayyad recently. It is fair to say that although the reduction in checkpoints is welcome, the economic growth was secured before that reduction. We hope that the reduction in checkpoints will contribute to further economic growth in the years ahead.

Sir Menzies Campbell (North-East Fife) (LD): Can the Foreign Secretary tell us what practical measures of co-operation are being offered by the Israeli Government to those conducting the investigation into the abuse of British passports? How would he characterise that co-operation?

David Miliband: I would say that it is premature to characterise the co-operation on a scale of one to 10, or nought to 10, but it is important that we send a clear message that we expect that full co-operation. The Serious Organised Crime Agency investigation is getting going, and is now spending some time in the middle east. For obvious reasons, I shall not give a running commentary on that investigation, but I take the right hon. and learned Gentleman's point seriously—I am sure that the House agrees—and we expect full co-operation with SOCA's work.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): The Government are correct to work for the toughest possible inspection regime of the Iranian ambition to promote enriched nuclear material, whether for domestic or other purposes. However, the Foreign Secretary has a duty to tell us in what circumstances he believes the Iranians might launch an attack on any other country in that region, especially Israel.

David Miliband: The Iranians do not have a nuclear weapon yet, thank God, and that is important. The whole thrust of our policy is reducing tension in the area. From my discussions with Gulf neighbours, I can tell my hon. Friend that they are extremely worried about Iranian destabilisation activities in the Gulf. The support that is given to Hezbollah and Hamas is also destabilising for the middle east. The offer that has been made clearly to Iran is that it will be treated as a normal country, on nuclear and other matters, when it starts behaving as a normal country. That is not victimisation; Iran is the author of its own misfortunes, massively against the interests of its people. That is why our strategy of reaching out to the Iranian people—not

victimising them—while putting pressure on the regime must be the right one. After all, we may be dissatisfied with the Iranian regime, but it is only half the dissatisfaction felt by the Iranian people.

Sir Patrick Cormack (South Staffordshire) (Con): Will the Foreign Secretary take the opportunity this week to speak to the South African President and Foreign Minister and discuss the situation in Zimbabwe? Will he try to persuade them that we really would appreciate it enormously if they put a little more pressure on Mr. Mugabe, because he is the impediment to progress in that country?

David Miliband: I am happy to report to the hon. Gentleman and to the House that I met the South African Foreign Minister this morning in advance of the state visit. There is a high degree of interest in, and excitement about, the state visit in South Africa, as there is here, and we welcome President Zuma and his 12-strong ministerial team and 200-strong business team very warmly. We discussed the Zimbabwe situation this morning. I very much take the content of the hon. Gentleman's question in the spirit in which it is intended, recognising South Africa's central role, and I assure him that I conveyed both at the meeting today.

Harry Cohen (Leyton and Wanstead) (Lab): Will the Minister take a look at Amnesty International's January report "Giving Life, Risking Death", which reports 200,000 unnecessary deaths among pregnant women in Burkina Faso because of discrimination and other factors? Will he authorise a diplomatic effort to try to help that country to bring down that figure?

Chris Bryant: I am grateful for the point that my hon. Friend makes. He is right to say that there are significant issues that we need to address, and that is one that will be referred to in the Foreign Office's own human rights report, which we will publish in the next couple of weeks.

Mark Pritchard (The Wrekin) (Con): To return to the horn of Africa and piracy, is the Secretary of State aware that some people in international shipping are turning off their automatic transponders, which is making it very difficult for ships, including those from the Royal Navy and other navies from across the world, to protect international shipping? It might also be a breach of chapter 5 of SOLAS—the international convention for the safety of life at sea—and disqualify any future insurance claims.

David Miliband: No, I was not aware of that important point, but I am happy to forward it to Operation Atalanta headquarters—the centre of the EU naval mission off Somalia—at Northwood here in the UK. He raises an important point. International shipping has a responsibility to work with international security forces, both on the lanes and the identification of their ships to promote safety on the high seas.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): On 11 February, at least 17 children were arrested from the Al Jalazun refugee camp by Israeli forces in the middle of the night and allegedly suffered ill treatment, then and during interrogation. What representations has the Secretary of State made to the Israeli Government about the large number of Palestinian children held in custody and facing trial, if at all, by a military tribunal?

David Miliband: My hon. Friend, who I know follows these issues carefully, has raised related or similar issues with me before. As I said to him on those occasions, we raise very clearly with the Israelis and, I have to say, with the Palestinians, a range of human rights issues, including not only social and economic rights but security and the treatment of detainees. I do not know of the individual case that he raises, but I shall certainly look into it. It is important that the message goes out very clearly that we expect all sides to live up to their international, as well as domestic, obligations under international law.

Points of Order

3.36 pm

Justine Greening (Putney) (Con): On a point of order, Mr. Speaker. At Communities and Local Government topical questions on 26 January, and again last month during the local government finance report debate on 3 February, the Secretary of State for Communities and Local Government used Treasury costings to claim in the House that our policy of working with local authorities to help them to freeze council tax for two years was using "dodgy, unrealistic and out-of-date figures".—[*Official Report*, 26 January 2010; Vol. 504, c. 672.]

It now turns out that the Treasury figures on which he based those comments were themselves wrong. In fact, we have seen them updated, in a response to a freedom of information request, and the figures have now been updated on the Treasury website.

Mr. Speaker, will you give me some guidance on whether, given that the Secretary of State was quick to come back and comment on the original Treasury costings, we can get him to return to the House to comment on the fact that those figures, and therefore his comments, were wrong?

Mr. Speaker: I thank the hon. Lady for her point of order, and I am happy indeed to offer her some guidance. The point that she has just raised is regrettably not a point of order, but a point of debate. On reflection, I think that she herself will almost certainly be conscious of that fact. My particular guidance to her would be that she should table further questions precisely to elicit the information that she thinks that she should get. I am sure that it will not be beyond her ingenuity to find a variety of ways to press her case.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): On a point of order, Mr. Speaker. Some months ago, when I raised in a question my concerns about Lord Ashcroft, I was, in a kindly and friendly way, warned by a Back-Bench Conservative Member that I should keep quiet because Lord Ashcroft had a way of exacting retribution from his critics. Indeed, he expressed the view that he personally would not cross Lord Ashcroft. Given this morning's revelations about Lord Ashcroft's true status, will there be an opportunity for the House to discuss him and the process by which he became a Member of the House of Lords?

Mr. Speaker: If memory serves me, the hon. Gentleman entered the House in 1979, and therefore he is not far short of 31 years in the House. He will be well familiar with the institution of business questions on a Thursday morning, and I have a hunch—something tells me—that on Thursday he might be tempted to raise this matter and to seek the debate after which he obviously hankers.

Sir Nicholas Winterton (Macclesfield) (Con): On a point of order, Mr. Speaker. I seek your advice and help. During Question Time today, the matter of the state visit by the President of South Africa was raised. This is a major event involving 12 Ministers, and it is important both to this country and for the influence that can be brought to bear in Zimbabwe. Is it possible, through you, Mr. Speaker, to request that a statement be made by the Foreign Secretary as soon as he is in a position to do so?

Mr. Speaker: I do not know whether the hon. Gentleman, who is in his 39th year as a Member of this House, has been invited to any of the events attendant on President Zuma's visit. Of course, that is not a matter for me. He has, however, placed his views clearly on record. I think that we will have to leave the matter there for today, but I suspect that many will study his remarks.

Major Capital Contracts (Skills Training Requirements)

Motion for leave to bring in a Bill (Standing Order No. 23)

3.40 pm

John Mann (Bassetlaw) (Lab): I beg to move,

That leave be given to bring in a Bill to require public authorities letting contracts for major capital works to require contractors to provide apprenticeships and skills training; and for connected purposes.

My reason for introducing this Bill, which I am sure will have widespread support across the House, is that we have seen some major disputes in recent times—notably at the Lindsey oil refinery and the Staythorpe power station in Nottinghamshire—and a new dispute is emerging only this week at Milford Haven. In these disputes, local workers and their unions have repeatedly made the case that they have been excluded from the ability to apply for jobs on major construction works.

I spoke at the Staythorpe workers' demonstration in Newark last year. I spoke again last month when the Staythorpe workers came to London to lobby Ministers. Those workers and their unions have been clear about their basic demands. I have had the opportunity to speak to them and to listen to them in great detail. Their view is that it is wholly unfair that such contracts can be let without giving their workers, who have the necessary skills, an opportunity to apply for the jobs.

The Prime Minister once talked about "British jobs for British workers", and the workers at Lindsey and Staythorpe took up that theme. They defined it, although in some of the reporting their clear definitions have been lost. I pay tribute to the way in which they conducted themselves, not least in ensuring that the bigots who attempted to attach themselves to those disputes were sent packing by the work force and by the unions, as was appropriate.

The Bill provides the detail that will enable us to spell out what the Prime Minister's slogan should actually mean, and it does so in three ways. The first relates to major public contracts, of which there are many. They have included the Crossrail contract that has recently been let, and the Olympic park, which also involves a major capital contract. There are also major contracts involving schools and hospital programmes. Perhaps the biggest of all will be the contracts for the new nuclear power stations. They will be huge contracts under which tens of thousands of workers will be employed, directly and indirectly, on constructing the power stations that this country so urgently needs.

Under the Bill, there would be a legal requirement that all jobs relating to a contract for major public works worth more than £50 million must be advertised in local jobcentres. That is a rather modest provision, but it was precisely the demand of the workers in my area, and elsewhere in Nottinghamshire and the midlands, who were denied the opportunity to apply for jobs at Staythorpe power station.

I want to say a few words about the scandal of Staythorpe, which was comparable to the scandal of the Lindsey oil refinery. At Staythorpe, the employers cut the wages and conditions of British workers and flew in 300 workers from Italy. They put them up in cheap dormitories and underpaid them in comparison with the locally and nationally negotiated pay rates. There were also major questions about health and safety. The Bill would make it much harder for that to happen, and it would make it illegal not to allow such jobs to be advertised in the local jobcentres.

Other provisions would do something far more powerful on contract compliance. The first would put a requirement on all public contracts of a certain size—the figure in the Bill is more than £50 million—that 2 per cent. of the entire work force, including subcontractors, sub-subcontractors and agency workers, should be new apprentices. Where there is a major power station, such as at West Burton in my constituency where a new gas power station is being built, and particularly when the public purse is paying for those contracts, 2 per cent. would mean 20 apprentices for every 1,000 workers, which seems a modest but reasonable input into developing skills when letting all major public contracts.

The Bill also provides for a specific legal requirement that all contracts involve a precise one hour's training a week, carried out in conjunction with local colleges, for the existing work force. That would mean—it is crucial for new nuclear build—that we would upgrade the skills at all levels of our work force, although, of course, that would be determined by the companies because it would be reasonable for them to decide which skills were required. When companies win these major contracts, with the help of local training providers, they can upgrade skills for the future for building and managing big power stations or other major public works.

That combination would provide an economic advantage or a competitive advantage in all contracts to companies that have an employment base in this country, while it would disadvantage others, such as the US company Bechtel, that come in and hoover up employees from elsewhere, including from competitors in this country, every time they win a contract here. Such companies contribute nothing to our skills base, as they just do the work and get out.

I think that this provides a realistic definition for the slogan "British jobs for British workers". As we all know, British workers, including those on the demonstrations, are of all colours and creeds. Indeed, a number have been born in many different lands, but those living and paying taxes in this country should have the ability to do this work.

Finally, let me reiterate a point about apprentices. We have huge new nuclear build ahead that will provide employment for vast numbers of workers. That work should go to companies based in this country, such as Laing O'Rourke, which employs 350 people in a world-leading, pre-cast cement works in Worksop in my constituency. It is those companies that should be winning these contracts, not companies from afar that poach the work force and contribute nothing to the skills base. For our young people, the thought of building these big power stations without large numbers of new apprentices learning building skills and power station management skills is not just outrageous, as that would be, but economically self-defeating.

I am certain that wise counsel on both sides of the House will enthusiastically support the Bill. It has the support of the workers I have met from Lindsey and

[John Mann]

Staythorpe, and of their unions as a way forward out of the disputes. Morally and economically, they are in the right and their employers are in the wrong.

Question put and agreed to.

Ordered,

That John Mann, Mr. Jamie Reed, Mr. Lindsay Hoyle, Mr. Frank Field, Bob Spink and Mr. Robert Flello present the Bill.

John Mann accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 12 March, and to be printed (Bill 80).

Constitutional Reform and Governance Bill (Money) (No. 4)

Queen's recommendation signified.

Mr. Speaker: I call the right hon. Member for East Ham (Mr. Timms).

The right hon. Gentleman looks distinctly quizzical. For his enlightenment, let me explain that I was referring to the money motion relating to the Constitutional Reform and Governance Bill. I was advised by those in the know that the right hon. Gentleman would be moving it, but if the Secretary of State for Justice wishes to do so, we look forward to that with interest.

3.50 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): Even Homer nodded, Mr. Speaker.

On behalf of my right hon. Friend the Member for East Ham (Mr. Timms), I beg to move,

That, for the purposes of any Act resulting from the Constitutional Reform and Governance Bill, it is expedient to authorise—

(1) the payment out of the Consolidated Fund of sums required by the Electoral Commission to meet—

(a) the charges payable to Regional Counting Officers in connection with a referendum held on the voting system for parliamentary elections, and

(b) sums payable in respect of increases in superannuation contributions required to be paid by local authorities in consequence of fees paid as part of those charges, and

(2) the payment out of money provided by Parliament of any expenditure incurred by virtue of the Act by the National Archives or any other government department.

The motion, which adds to previous money resolutions, relates to two matters: the establishment of regional counting officers, which will be necessary for the proper administration of the referendum on voting systems to which the House has already agreed; and the provision of funds for the implementation of the Dacre report. Some extra costs will be involved in connection with that as the period within which official records must generally be released will be compressed from 30 years to 20.

3.51 pm

Mr. Dominic Grieve (Beaconsfield) (Con): I am sorry to disappoint the Secretary of State. If he had moved a money motion merely to deal with the Dacre proposals, I would have had no difficulty accepting it. However, the motion is also intended to facilitate the referendum on the alternative vote system, which we believe will prove both costly and utterly unnecessary, so we intend to oppose it.

3.52 pm

Mr. David Heath (Somerton and Frome) (LD): I feel a little sorry for the right hon. Member for East Ham (Mr. Timms), who, despite being in the Chamber and despite having put his name to a motion, was clearly entirely unprepared to speak to the motion that he had apparently tabled.

Having heard from the Lord Chancellor, I am a little at a loss to understand why this motion is needed in addition to the money resolution that was agreed before our last discussion on the Bill with regard to the referendum,

although not in respect of the National Archives, which is being raised for the first time today. Perhaps the Lord Chancellor will explain why the previous money resolution was incomplete or improper in some way, and why we need this motion to deal with a matter that I thought the House had already determined, by means of a Division, when we last discussed the Bill.

3.53 pm

Mr. John Redwood (Wokingham) (Con): When a Government are as deeply in debt as this Government—when they are building up so much taxpayer debt—it behoves a senior Cabinet Minister at least to extend to the House the courtesy of explaining how much additional money is in question, why the expenditure represents value for money, and what action the Government have taken to try to ensure that the sums spent would be the minimum necessary for their purposes so that they may allay the fears of some Members that they are committing huge sums for any purpose, on any whim or in respect of any press release that takes their fancy during this pre-election period, without proper and due consideration of the state of the public finances.

Of course there is political disagreement across the House about the main purpose: the setting up of a referendum on how voting systems should operate. We think that that is a totally unnecessary device, and most unwelcome. However, leaving aside the issue of principle—which is not the substance of a money motion—I think that we should at least be treated to some reassurance from the Cabinet Minister responsible that he has chosen the least costly way of proceeding, and that should be put in the context of the huge borrowing and huge financial commitments that the Government are building up. I cannot understand how any sensible Member of Parliament could possibly grant the Government their wish when such a low-priority item is uncosted, when there are no sums of money in the motion on the Order Paper, and when no sums of money were mentioned in the Secretary of State's opening remarks.

3.55 pm

Mr. Straw: I am pleased to respond to this brief debate. The hon. Member for Somerton and Frome (Mr. Heath) asked why the first limb of the money resolution is required, given the fact that a previous one covers the proposals for a referendum on the alternative vote. The answer is that this money resolution provides for regional counting officers. I know that that gives rise to a question of why that was not in the previous money resolution. All I have to say is that it was not, and I think that it is appropriate to ensure that there is modest provision for the regional counting officers to be appointed and paid.

Mr. Grieve: With his characteristic skill, the Secretary of State has failed to enlighten the House as to why that item was omitted from the earlier money resolution.

Mr. Straw: Because it was a later entry into the consideration—that is the truth of it. The measure is none the less very good and to be recommended.

Bob Spink (Castle Point) (Ind): The regional counting officers would normally be the chief executives of local authorities, so they are already in receipt of very high salaries.

Mr. Straw: This is about establishing regional counting officers better to co-ordinate the administration of the referendum and the counting of votes.

May I answer directly the questions asked by the right hon. Member for Wokingham (Mr. Redwood)? In the debate on the previous money resolution, the hon. and learned Member for Beaconsfield (Mr. Grieve) and many other Members referred, properly, to the estimates of the cost of the referendum, which had already been given by me and my ministerial colleagues in answer to parliamentary questions and in other ways. We estimate the cost to be similar to that in a general election, which would be between £80 million and £100 million—we cannot be absolutely certain. In part, the cost will depend on whether the referendum coincides with local elections in 2011, for example, or is a bespoke referendum. The first limb of the proposals would not add very much to the cost overall. Our hope is that, by having regional counting officers in place, we can reduce the totality of the administrative costs by better co-ordination. On any basis, that is a considerable sum of money, but I happen to think that its purpose is very important.

I do not share the view of Conservative Members that there is no purpose in spending this money. It is important to give the British people a clear choice through a referendum about the kind of voting system that they want, without in any way undermining the principle, which is generally agreed across the Chamber and the country, of single-member representation of constituencies. The argument on the merits—I will not go down that route—was made cogently by Labour Members and Liberal Democrat Members in a previous debate. However, we are considering a one-off cost. It is different from continuing expenditure, which we would get, for example, if services in an area were expanded.

Mr. Redwood: I would like to press my simple factual request. How much extra will the money resolution add? Presumably it will mean extra money, because otherwise one would not need additional permission. The House should be told how much extra will be added to the cost.

Mr. Straw: I will be very happy to write to the right hon. Gentleman about that. The amount is relatively modest, but authority is still required to pay it.

I apologise to the House with regard to the second item because I should have given information about the cost. We estimate that the cost of implementing the Dacre report, as proposed in measures to be considered on Report, from the start date—that will be subject to an order in both Houses beforehand, so it could be 2011, 2012 or later—will be £28 million over five years, or in other words about £5.5 million a year. With that, I hope that the money resolution will be widely endorsed by the House.

Question put.

The House divided: Ayes 331, Noes 161.

Division No. 91] **[4 pm**

AYES

Abbott, Ms Diane	Anderson, Mr. David
Ainger, Nick	Anderson, Janet
Ainsworth, rh Mr. Bob	Armstrong, rh Hilary
Alexander, Danny	Atkins, Charlotte
Alexander, rh Mr. Douglas	Austin, Mr. Ian
Allen, Mr. Graham	Austin, John

Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baker, Norman
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Farron, Tim
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, David
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kidney, Mr. David
Killoyle, Mr. Peter
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCarthy, Kerry *(Sheffield, Hillsborough)*
McCarthy-Fry, Sarah
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy

Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Bob Blizzard and Steve McCabe

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Carswell, Mr. Douglas
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howard, rh Mr. Michael
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Angela Watkinson and Jeremy Wright

Question accordingly agreed to.

Constitutional Reform and Governance Bill (Programme) (No. 6)

4.14 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I beg to move,

That the Order of 20 October 2009 in the last Session of Parliament (Constitutional Reform and Governance Bill (Programme)) be varied as follows:

1. Paragraphs 6 and 7 of the Order shall be omitted.

2. Proceedings on consideration shall be taken in the order shown in the first column of the following Table.

3. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

Proceedings	*Time for conclusion of proceedings*
New Clauses and new Schedules relating to public records or freedom of information.	One and a half hours after the commencement of proceedings on consideration.
New Clauses, new Schedules and amendments relating to Part 4.	Two and a half hours after the commencement of proceedings on consideration or 9.00 pm, whichever is the earlier
New Clauses, new Schedules and amendments relating to Part 7; remaining new Clauses, new Schedules and amendments; remaining proceedings on consideration.	9.00 pm.

4. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 10.00 pm.

This programme motion is intended to ensure that there is sufficient time to debate the Government amendments on Dacre and Kelly as well as part 7, which concerns protests in the vicinity of the Palace of Westminster.

As colleagues will readily recall, the Bill has been before the House since July of last year, when it had its Second Reading. It was preceded by a draft Bill and 18 consultations and publications. The Bill and the draft Bill have been scrutinised by several Select Committees, including the Joint Committee on the Draft Constitutional Renewal Bill, the Public Administration Committee, the Select Committee on Justice and Committees in the other place. I anticipate that there might be some suggestion made that there has not been sufficient scrutiny of this measure, but I simply remind the House that on most of the provisions—although, it is fair to say, not on the two that are new before the House today—there has been huge prior consideration. When people seek to hark back to an earlier alleged golden age—as I think that the right hon. Member for North-West Hampshire (Sir George Young) was about to, judging by the eye that he was giving me—it is worth recalling that in that alleged golden age there was no pre-legislative scrutiny of Bills and few Bills were published in draft. This Bill, although it has been the subject of programme motions, has also been the subject of a huge amount of prior consideration and changes have been made to the Bill in the light of that consideration.

Lembit Öpik (Montgomeryshire) (LD): It sounds to me that what the Secretary of State is really saying is that, in his judgment, the pre-legislative scrutiny process obviates the need for a significant Report stage. Will he acknowledge, at least, that many of us in this House feel that the strict programming that reduces this important Bill's Report stage to four and three quarter hours effectively emasculates the Report stage and prevents us from being given the time to analyse all the relevant parts?

Mr. Straw: There is a long-standing debate about how much time we provide for debate on Bills on the Floor of the House, which has been the subject of consideration in the Wright Committee and of its recommendations. The hon. Gentleman will forgive me if I do not go down that path in general. I accept that the time provided for the Dacre provisions—an hour and a half—is relatively short, as is the time for the Kelly provisions. However, the Dacre provisions have significant cross-party consensus—there is no question about that—and were subject to lengthy consultation by Paul Dacre and his colleagues on the review and, subsequently, by the Government. The provisions relating to Kelly, which are principally to do with pension provisions, follow on from earlier considerations about Kelly. Time is compressed, but it has been the decision of the whole of the House that we should legislate on Kelly before the general election and the general election will take place on or before 3 June. I am looking forward to that, but even for those who are not looking forward to it there is nothing we can do about that inevitability.

Mr. David Winnick (Walsall, North) (Lab): Since the situation has somewhat changed since yesterday, with the admission by Lord Ashcroft—at last telling the truth—that he is not domiciled in Britain for tax purposes, is there not a case for giving more time so that all these matters can be properly considered?

Mr. Straw: They are certainly being properly considered elsewhere in the House and outside. The questions keep on coming as the Opposition give insufficient answers to previous questions. Had we been able to anticipate the decisions of Lord Ashcroft and the Conservative party, after 10 years of silence and obfuscation, to own up to the fact that, notwithstanding an earlier, clear commitment, Lord Ashcroft is a non-dom, we might well have been able to provide additional time on the Floor of the House, but I regret that the motion that I am moving is the motion that I am moving.

Mr. John Redwood (Wokingham) (Con): We have before us more than 50 pages to consider in the few hours that the Government wish to allot. Will the Lord Chancellor remind the House how many new clauses and amendments have come from the Government for our consideration today?

Mr. Straw: I shall count them in due course, although the right hon. Gentleman seems to have done the task for us. The reason for the amendments is to give effect to decisions that have already been taken by the House. A large chunk of the provisions relate to the Kelly proposals, and I thought that it was the wish of the Conservative party, as well as that of the Labour party and the Liberal Democrats, that the Kelly proposals should be the subject of legislation before the election. That seemed to be the purview of the Leader of the Opposition when he spoke on the Loyal Address.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Lord Chancellor will know that I have tabled two very important new clauses on ending discrimination against Catholics and women in our constitution. He is on the record as supporting those provisions, but they seem unlikely to be reached. Does he recognise that to avoid the complaints that are made about the Report stage of every Government Bill, there is real merit in the proposals of the Wright Committee, which can be found in amendment (a) to motion 67, in the future business section of the Order Paper, which we will debate on Thursday? Will he indicate whether he can see real merit in supporting such proposals to stop the demonisation of the Government happening on Report?

Mr. Speaker: Order. Before the right hon. Gentleman replies, may I say that although that point is a pertinent one, we are dealing with the programme motion? I do not think that we want to get too much ahead of ourselves in respect of matters to be debated on Thursday. However, I am sure that the Secretary of State will be sufficiently dextrous in his reply.

Mr. Straw: Thank you, Mr. Speaker for that guidance to the hon. Member for Oxford, West and Abingdon (Dr. Harris). However we allocate time—and we might be able to achieve a situation in which more time is made available for the consideration of Bills—there would not be sufficient time to consider every proposal for every Bill. There has never been sufficient time for that. The hon. Member for Aldridge-Brownhills (Mr. Shepherd), who has sat in the House for as long as I have, will recall the frustration that he, I and others felt when there was no programming. It is a fact of life and, I am afraid, of a ticking clock. With that in mind, I commend this excellent programme motion to the House and hope that we can get on to the business.

4.23 pm

Mr. Dominic Grieve (Beaconsfield) (Con): This is the sixth programme motion that we have had for this Bill, which is being taken on the Floor of the House because it is a constitutional Bill. When I was first elected to this place, I understood that the reason why such Bills were taken on the Floor of the House was to enable all MPs who wished to participate to do so and to enable the Bill to be exposed to the fullest possible scrutiny. That simply has not happened with this Bill. Anyone who looks at the record of the Committee proceedings will see that on each day of our considerations we were unable to consider some parts of the Bill at all because of the knives that were imposed. In many cases, important proposals that were tabled by hon. Members simply were not reached.

Now the Bill has reached Report, but that is in itself unusual with a Bill that has been taken on the Floor of the House. It is, of course, a reflection of the number of amendments that the Government have tabled. If they had not tabled those amendments, we would not be having a Report stage on the Floor of the House for a constitutional measure. One has only to look at the Order Paper to see that we have not the slightest prospect of getting through the different groupings. Indeed, some of the groupings, particularly those containing Government amendments relating to Ministers and the civil service, undoubtedly will not be considered at all. For those reasons, therefore, it is not surprising that there are hon. Members around the House who object to the programme motion. My right hon. Friend the Member for North-West Hampshire (Sir George Young) suggested to the Secretary of State for Justice and Lord Chancellor that we should have two days on Report to reflect both the insufficiency of time that we had had to consider amendments properly in Committee on the Floor of the House, and the fact that we are also now exposing ourselves to a further raft of Government amendments—*[Interruption.]* I detect that the hon. Member for Somerton and Frome (Mr. Heath) wishes to intervene.

Mr. David Heath (Somerton and Frome) (LD) *indicated dissent.*

Mr. Grieve: The hon. Gentleman is just preparing himself.

For the reasons that I have set out, this timetable is completely unsatisfactory. I think that the Secretary of State for Justice and Lord Chancellor knows that very well in his heart. It may be that there was never a magical moment in the past when matters could be fully considered, but I seem to recall—although it was before my time here—that my late father's experience in the House was that it was common for the Report stage of a Bill to go through the night if that was necessary to conclude the business and enable amendments to be considered.

We have abandoned that, yet we have also just come back from a 10-day period when the House was not sitting, for which we came in for rather a lot of public criticism. However, if this Bill were really important—and given the imminence of an election and the urgency of implementing Kelly—there is no reason why we could not have forgone some of that break to get an extra day or two for our consideration.

I am very mindful that, in every debate on programme motions, the Government say, "Well, if only you didn't debate the programme motion, you'd have a bit more time to debate the Bill." That illustrates the powerlessness of this House in the face of the Executive, which is something that urgently needs reform. I hope and believe that an incoming Conservative Government will make that reform their first priority.

In the meantime, this motion is entirely unsatisfactory. I strongly imagine that it will be objected to, and we will join in that objection.

4.27 pm

Mr. David Heath (Somerton and Frome) (LD): I do not believe that we need to wait for a mythical incoming Conservative Government to bring in the reform that the hon. and learned Member for Beaconsfield (Mr. Grieve) mentioned. We can do the job by approving the motions before us on Thursday, and I hope that we will.

In one of his masterful interventions, the Lord Chancellor said that the purpose of the programme motion was to ensure that there was sufficient time to debate important matters—in the same way that it was King Herod's purpose to ensure and promote the welfare of children. The purpose of this programme motion, as with all such motions tabled by this Government, is to prevent discussion and debate in this House. These motions do not arise out of discussions between the various parties in the House, let alone those Back-Bench Members

[Mr. David Heath]

with a real interest in debate on Report: they are imposed by the Executive to prevent debate, and that is exactly what we have today.

The Lord Chancellor has talked about all the scrutiny and discussion that the Bill has received, but which Bill does he mean? Surely not the one before us today, which has been massively amended by the Government since its inception. It is a different Bill—in fact, it becomes a different Bill every time we arrive to debate it further, because the Government put in whole new sections and groups of amendments.

The point is not about whether there is an urgency to bringing in the Kelly reforms. Of course there is, but we know that. We have time to bring those reforms in, but they are not what we will be prevented from debating today. What we will be prevented from debating are the later amendments and new clauses, many of which have been tabled properly by hon. Members who, although they may not be on their respective Front Benches, think that they have important matters for the House to debate.

Those are the amendments that, yet again, will not be reached. They were not reached in Committee either, and I believe that this is a scandalous way to bring a constitutional Bill before the House. That is why I shall certainly oppose this programme motion today, and why I shall invite my right hon. and hon. Friends to do the same.

4.29 pm

Dr. Tony Wright (Cannock Chase) (Lab): I wanted to agree with my right hon. Friend the Secretary of State for Justice that there was no golden age, but in the age in which we live, this measure has become a Christmas tree Bill of large proportions. We are used to such Bills, but this is a Christmas tree Bill for which there is no Christmas, which makes it even more unusual. My right hon. Friend prayed in aid the Public Administration Committee as a progenitor of the Bill, and in a sense, that is right. However, our Committee introduced a raft of amendments, virtually none of which have been accepted. Some of those amendments reflected years of work by the Committee on these issues, particularly aspects of the civil service. It was not possible to accept them in Committee, and now it is not possible to accept them on Report. What does that say about the relationship of the House to its Committees, if that is what happens when a Bill is introduced? Although I agree that there was certainly no golden age, I think that there could be a better age in which some of these deficiencies could be remedied, and I hope that that age will come quite soon.

4.31 pm

Mr. John Redwood (Wokingham) (Con): I would like to be a little more charitable to the Justice Secretary than the hon. Member for Somerton and Frome (Mr. Heath), as I am prepared to accept that he would like to ensure sufficient time for the Bill. I therefore have a modest proposal: drop the programme motion, and let us make progress on the matters before us. If, by any chance, we have not quite finished at 10 pm, why can we not table an extraordinary resolution of the House to carry on for another two or three hours until the business is completed? That is a very modest proposal, and I think that it will probably enjoy the consent of all free-thinking individuals and Opposition parties in the House. It would create a better debate, and it would show that the Justice Secretary accepts that in constitutional matters in particular, Parliament has a special role to play. If Parliament wishes to discuss, while remaining in order, serious proposals tabled by the Government, time should be made available to do so.

I take that more charitable view, because the Justice Secretary, by the standards of Labour Ministers, shows more courtesy to the House and brings more to it than many of his colleagues, which is to be welcomed and encouraged. If he wishes to show that there is any semblance of understanding in the Government of the need for proper parliamentary scrutiny and debate, and for Ministers to show full courtesy to the House, this is a marvellous opportunity to do so. This is an important constitutional measure, and we have been asked to consider more than 50 pages of detailed amendments, many of them introduced by the Government themselves. In many cases, this is the first opportunity that we have had to discuss the detail and, in some instances, it is the first chance we have had to discuss the principles involved. It is a long-standing tradition, that predates this Government, that constitutional matters are debated on the Floor of the House, and reasonable time is made available so that Members can feel that justice has been done.

Quite a few Members are interested in the Bill in its entirety, but there are not a huge number of them in the House today who are interested in these particular proposals, so I urge the Justice Secretary to do the decent thing, remove the guillotine motion, and allow those who are in the Chamber to have their say. We might finish by 10 pm, if he is right in thinking that he has chosen sufficient time. If, by any chance, he is slightly in error, let us run on and do the job properly.

4.33 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): It is not right to be in this position for three reasons. First, in a parliamentary democracy with one elected House, is it right that Government legislative proposals on any Bill, let alone a constitutional Bill, should proceed all the way through Parliament without being scrutinised and debated by Parliament, or that they should be put to the vote en bloc as Government amendments? That is not appropriate in the single elected House or in a parliamentary democracy. That is not something of which anyone in the House should be proud—it is a complete failure by the House and Members regarding their ability to do their fundamental job, which is to hold the Executive to account and scrutinise legislation.

Secondly, we always have arguments about the time for debate proposed in programme motions, and we wonder why we are in this position. We are in this position for several reasons, but the main one is that the Government decide what we debate. We are therefore in a bizarre position whereby the Government decide, as they have with this Bill, which bits of their programme the elected House gets to debate and vote on. That is not a parliamentary democracy; that is the Executive pushing legislation through the only elected House. It is not a surprise therefore that the unelected House feels that it has to do considerable work. That is not satisfactory, either, but despite all its flaws it is better than nothing.

Surely a better way forward, especially on such Bills as the one before us, would be much more consultation on the time that is needed and the use of time elsewhere in the week, when business collapses early. The Library and the Clerks have identified huge chunks of days on which business collapses early, and that time would be available to extend our debates on Report.

In addition, the Lord Chancellor should understand, in respect of his answer to me, that there is a proposal from the Wright Committee for speech-length restrictions on Report. We could get through the business that is before us much more quickly without the need for knives, or at least by having knives for any proposal that was multi-consenting, as it were, without the need for them late in proceedings in order to get through the Bill.

There is a holistic solution, and it could be made available if we reform, but even if we do not reform there are ways in which we can improve such matters. It is extremely sad that critical matters of parliamentary reform and matters relating to referendums and to discrimination against Catholics and women in our constitution, to which I referred earlier, will not even be debated—especially when they are the subject of Government amendments, which will be voted through.

This is probably the 12th time that I have made such points on Report, and the House should not have to suffer that. The solution is in our hands not just today, but on Thursday, and I hope that we take it. I hope also that on Thursday, as a consequence of hearing such complaints so often, the Lord Chancellor will find himself in the right Lobby when it comes to a full-time permanent cure that involves not a complete shortage of time but more consensual undertakings and the reform of our procedures to ensure that we do our key job properly.

4.37 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): I noticed that the Secretary of State seemed to be having consultations during the speech by the hon. Member for Oxford, West and Abingdon (Dr. Harris), so I hope that my right hon. Friend will respond positively to the suggestions that the right hon. Member for Wokingham (Mr. Redwood) made. I share colleagues' concerns about the inadequacies of this Report stage and many others in which I have felt forced to vote against the Government on programme motions.

The Government set up the Wright Committee, and I very much hope that on Thursday all parts of the House will agree to the Committee's significant proposals. I hope also that, having set up that Committee, the Government will accept the spirit of its recommendations and act accordingly this afternoon.

4.38 pm

Bob Spink (Castle Point) (Ind): I, like all other contributors to the debate so far, rise to speak against the programme motion. We have before us a constitutional Bill that is far-reaching and of great importance to the House and to our constituents. It is of fundamental importance, and we need to debate it thoroughly and properly, so I am exasperated by this programme motion, which is far too tight. I support the suggestion of an extraordinary resolution of the House to continue beyond 10 pm, if we need to, in order to debate all the clauses that need to be debated. I have two petitions at 10 o'clock tonight, but I would be very happy to present them at 4 o'clock tomorrow morning, if necessary.

In earlier Parliaments, such as the 1992 to 1997 Parliament, we used to stay up all night, if necessary, in order to get better legislation and properly debate the motions before us. Today's final group of amendments contains about 70 new clauses and amendments to be debated in what will end up being only a few minutes. They are on matters such as the conduct of referendums and elections and public order. The hon. Member for Oxford, West and Abingdon (Dr. Harris) mentioned new clauses 2 and 3, which he has tabled, regarding royal marriages and succession to the Crown. Those are most important matters, but they will not be debated at all.

The Bill has grown like Topsy since it first came before the House, and it is nothing like the Bill that we first debated. For that reason, too, we need to spend sufficient time examining the new clauses. That is why I oppose the programme motion and hope that we will be able to extend our debate so that we can properly consider the important matters before us.

4.40 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I have noticed with a sinking heart that everyone has referred to this as a programme motion. That tells us how, by usage and custom, we have come to accept something that is wholly unacceptable. In a more robust age, which the Secretary of State will remember, as we came to the House on the same day, it was cried out that such motions were guillotine motions, and they were shouted against.

The public at large understand the purpose of a guillotine—to cut off debate at a certain point. It is as simple as that. The word "programme", and the language that surrounds it, suggests that this is a careful form of art, in which all the considerations are weighed up, and that the important issues are discussed for individual Members to balance. But who determines what will be discussed? It is, of course, the Executive—the Crown—who control the business that comes before the House and set down these guillotine motions. There is no serious intent whatever to enable us to debate all the amendments on the paper, should that be our wish.

The concept that everyone in the House could participate in debates on a constitutional Bill was inviolate until, I believe, the Single European Act. There were no guillotine motions. Now we accept a new guillotine motion each day to ensure that the Government control everything and that proceedings will happen to a timetable. For many reasons, which the Secretary of State was quite right to point out, none of us wants to sit here and toil through the night as repetitive speeches are made, but that was not the point in question. He said that this motion will assist us in debating the business of the House, no less. That is like the prosecution in a court saying, "In order to assist the defence, we will deny them anything other than 10 minutes to present their case."

If we think about the balance of the argument, what is the purpose of the House? It is to test the propositions that the Executive put in front of us, but there are now knives, as well, a new construction that does not even

[Mr. Richard Shepherd]

allow the role of a debate to determine itself naturally. As a new departure or refinement, they have been imposed alongside the concept of guillotining. It is a most unsatisfactory process, but we wish it upon ourselves every time a huge Government majority marches through the Lobby to impose the will of the Executive. Yet the division between Back-Bench Members in all parts of the House and the Executive grows.

When do we have the opportunity to tease out the Government's argument, and see them win an argument through debate? That is the other consequence—the Government themselves are often cut out. That is a matter of no consequence to them, because their objective is merely to have the vote. That is why the House is now scorned.

The hon. Member for Oxford, West and Abingdon (Dr. Harris) talked about his amendments, and many Members have been frustrated in the same way. In saying that, I notice too that people look forward to Thursday, as if it will change that situation, but none of it will change, and we need not think that a new Government will necessarily change things either. The convenience to the Executive is so great and the damage to the House of Commons is even greater, yet this is the only democratic institution in this country that determines what the law should be.

I shall therefore gladly vote against this guillotine motion, and I hope we all remember that our subservience—on both sides of the House—has brought this Parliament low to the ethos of executive government.

4.45 pm

Mr. Gordon Prentice (Pendle) (Lab): I, too, shall vote against the programme motion. There is simply not enough time for us properly to consider all the proposed new clauses and amendments, including the proposals from the Select Committee on Public Administration, which is chaired so ably by my friend from Cannock Chase (Dr. Wright). Those proposals are in the fifth group, which includes my proposal—new clause 7—on the Ashcroft scandal, which is supported by 84 Members of Parliament. I have made it clear that there are Members of Parliament down the other place who are here under false pretences, and it is not acceptable for me to vote for a programme motion that extinguishes any possibility of considering new clause 7, so I shall be voting against it.

4.46 pm

Mr. Straw: I urge the programme motion on the House. I understand the House's frustration about the time, but I repeat the point that however we cut the time, it will always be limited.

I look forward to the votes on Thursday, but if we are to move to more open-ended debates on Report, in Committee and on the Floor of the House, we will have to have restrictions on the time that individual Members speak. Otherwise, we will have the kind of filibustering in which I participated very happily—but not to any great effect—in opposition. That was not particularly productive, and it led to more severe guillotines than anything we have faced under programming.

Mr. Redwood *rose—*

Mr. Straw: If the right hon. Gentleman will excuse me, I will not give way.

My hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) is back. I am perfectly happy, as a loyal member of the Government, to be here till 11 o'clock, midnight or 1 o'clock in the morning to vote for the Government. I look forward to her—in a new incarnation—voting for the Government in the small hours with the same enthusiasm that I have showed and continue to show.

Lynne Jones: I must tell my right hon. Friend that most of the time, I vote for the Government, and I will do so, if it is appropriate, whatever time the vote is called.

Mr. Straw: Methinks my hon. Friend doth protest too much, because I was not saying anything different.

Lastly, reference was made to the number of pages of amendments. The Government's proposals on a wholly new subject—the Dacre review—run to three pages. The other Government proposals have been tabled in response to the concern expressed in earlier debates in the House, for example on Kelly and protests around Parliament, which has certainly been the subject of huge and extensive debate. I commend the motion to the House.

Question put.

The House divided: Ayes 272, Noes 226.

Division No. 92] **[4.48 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dowd, Jim

Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
Gerrard, Mr. Neil
Gilroy, Linda
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and Steve McCabe

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian

Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Howard, rh Mr. Michael
Howarth, David
Howell, John
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Roger Williams and Jeremy Wright

Question accordingly agreed to.

Constitutional Reform and Governance Bill

Consideration of Bill, as amended in the Committee

[Relevant documents: Report of the Joint Committee on the Draft Constitutional Renewal Bill, Session 2007-08, HC 551-I and -II, and the Government response, Cm 7690. Tenth Report from the Public Administration Select Committee, Session 2007-08, on Constitutional Renewal: Draft Bill and White Paper, HC 499, and the Government response, Cm 7688. Fourth Report from the Joint Committee on Human Rights, Session 2009-10, on Legislative Scrutiny: Constitutional Reform and Governance Bill; Video Recordings Bill, HC 249. The Scottish Parliament has passed a Legislative Consent Resolution in respect of this Bill. Copies of the Resolution are available in the Vote Office.]

New Clause 22

TRANSFER OF RECORDS TO PUBLIC RECORD OFFICE

'(1) In section 3 of the Public Records Act 1958 (selection and preservation of public records)—

(a) in subsection (4) (transfer to Public Record Office or to other appointed place of deposit of public records selected for permanent preservation), for "thirty years" substitute "20 years", and

(b) after that subsection insert—

"(4A) Until the end of the period of 10 years beginning with the commencement of section [Transfer of records to Public Record Office] of the Constitutional Reform and Governance Act 2010, subsection (4) has effect subject to any order made under subsection (2) of that section."

(2) The Lord Chancellor may by order make transitional, transitory or saving provision in connection with the coming into force of subsection (1)(a).

(3) An order under subsection (2) may in particular—

(a) provide for the time within which any records are to be transferred to the Public Record Office or other place of deposit referred to in section 3(4) of the Public Records Act 1958, and

(b) make different provision in relation to records of different descriptions.

(4) An order under this section is to be made by statutory instrument.

(5) A statutory instrument containing an order under this section is subject to annulment in pursuance of a resolution of either House of Parliament.'.—*(Mr. Straw.)*

Brought up, and read the First time.

5.2 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following: Government new clause 23—*Freedom of information.*

Government new schedule 1—*Amendments of Freedom of Information Act 2000.*

Government amendment 47.

Mr. Straw: These provisions give effect to the Government's response to the Dacre review of the 30-year rule. The House will recall that, in October 2007, my right hon. Friend the Prime Minister announced an independent review of the 30-year rule, which generally requires that all national records be released into the public domain after a 30-year period, save where there are special exemptions. The review was chaired by Paul Dacre, a distinguished journalist and the editor-in-chief of the *Daily Mail* group of newspapers, who worked with Professor Sir David Cannadine, a distinguished historian, and Sir Joseph Pilling, a distinguished public servant. I am grateful for the care and interest that they took in conducting their review. I dare say that it is to be expected of a review written by a senior journalist and an eminent historian, but, in addition to containing good recommendations, it is a very interesting and informative read. I commend it to the House, which I would not for every review conducted on behalf of the Government. This one is deeply informative.

We have considered the review's recommendations carefully. On 10 June, my right hon. Friend the Prime Minister announced to the House the Government's intention to move to a 20-year rule. The Dacre review debated whether we should move to a 20-year rule or a 15-year rule and, on balance, it came down in favour of a 15-year rule. We considered the matter in some detail and my right hon. Friend the Prime Minister announced our intention to move to a 20-year rule. There was a subsequent period for further consultation, and last week, we published our response to the review in full. That is now before the House.

The key proposals are to reduce the 30-year rule to 20 years, to amend the Freedom of Information Act 2000 and to reduce the time frame within which certain exemptions can apply to the 20-year period. New clause 22 will implement those proposals and it will amend the Public Records Act 1958. Those proposals will thus provide earlier access by 10 years to a wide range of material, and it is the next step towards greater transparency—a process that began under this Government with the passage of the Freedom of Information Act 2000.

Such a move involves careful preparation. It is often assumed that officials simply put the records on the shelves and open them. As I know, not least from my time in the Foreign Office, a huge effort is put in by historians and archivists to go through all the records carefully to ensure that all that can be made publicly available are made publicly available, while also ensuring that some are held back in conformity with public records legislation. The same is true of every other Government Department.

Because the proposal involves a big change, the Dacre review recommended a transitional period and essentially proposed that until we reach the target time of 20 years, in the intervening period two years' records should be released every year to get down from the 30-year limit to the 20-year limit. The new clause makes provision for the transitional period to be brought in by order, because exactly when that new time limit is introduced will need to be considered by Government in the next Parliament.

Dacre also recognised—as does everyone else and as did the House when we discussed the freedom of information legislation—that there must be a balance between increased transparency and protecting sensitive and personal information. That is a fact of life. The introduction of the Data Protection Act 1998 preceded the Freedom of Information Act 2000 by a couple of years, and one thing I believe I got right about the Freedom of Information Act 2000 was requiring a single commissioner for both data protection, which is about protecting information, and for freedom of information, which is about its release. Some other Administrations have two commissioners for those two

[Mr. Straw]

purposes, which can cause immense problems. This represents one area where a balance must be drawn. In circumstances going beyond the protection of personal information, everyone accepts that there may be arguments for protecting the information for longer than the minimum period. Bearing that in mind, schedule 1 maintains the time limit for certain exemptions at 30 years.

The first exemption relates to the protection of commercial interests. Some contracts, particularly those relating to large-scale infrastructure projects and procurement, can run for more than 20 years and may contain commercially sensitive information beyond that point.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I appreciate that this is a sensitive area and I welcome the acceptance of 20 years as a general proposition. It is difficult, however, to see why commercial enterprises should have the retained 30-year holdback, in particular in the case of local authorities. What possible contract could a local authority enter into that would need protection for 30 years? If the right hon. Gentleman could build on what he started to say about commercial interests, particularly as affecting local authorities, it would be helpful. Is this intended to protect defence establishments or the nuclear industry; what is the purpose behind this 30-year retention of information?

Mr. Straw: I have cited large-scale infrastructure projects and procurement. I cannot immediately think of any local authority projects of such a scale or duration, but that is only because no such projects are within my experience. I am sure that some exist, and it may well be the case—although I am afraid I am not informed on the matter—that some of the contracts entered into by local authorities of all political persuasions for the longer-term provision of, for example, back-office services last for more than 20 years. I do not feel that whether commercially sensitive information should be protected while the contract lasts should be simply a matter of chance, but that does not prevent proper scrutiny of the arrangements by, for instance, auditors—perhaps by the Audit Service.

I have just been provided with further and better particulars. I am happy to say that I knew this bit already and was going to mention it, but I am deeply grateful none the less.

My constituency contains a large new hospital which is under a PFI contract which will run for more than 20 years, and I believe that the same applies to some of the new prison contracts. *[Interruption.]* An hon. Member asks, from a sedentary position, "Why should we not know about them?" This is a qualified exemption. That is what it says here, and what I was going to say in any event.

A balancing test will still be required. We are not talking about an absolute exemption from day one until the end of the period. What we are discussing is whether there should come a moment when the information is automatically released. I think it reasonable for parties to such contracts, if they are still in force, to be able to argue that their commercial interests—the interests of the public authority on one side and those of the commercial organisation on the other—may be adversely affected if the information is released into the public domain. It would be a matter for the Information Commissioner, and then the Information Tribunal, to make the final judgment. I think that that is a reasonable balance.

David Howarth (Cambridge) (LD): What I do not follow is why the argument finished with 30 years. If it is purely about commercial interests, we should bear in mind that it is perfectly possible for contracts to last for longer than that.

Mr. Straw: Whether or not that is the case—and I accept that there are some areas involving defence, for instance, in which exemptions may continue—there has not been a problem so far, and the Government have not sought in any way to use the Dacre review to restrict access via freedom of information requests rather than to make it easier.

Mr. John Redwood (Wokingham) (Con): Given the extension of freedom of information opportunities, does the Secretary of State believe that there is any special merit in parliamentary questions any more? Might some information be made available to Parliament that is not made available in response to an FOI request, or is this part of a process whereby Members of Parliament will become just like members of the public, and submit FOI requests instead of parliamentary questions?

Mr. Straw: That is a very important point. I have to deal with both parliamentary questions and requests for information under the Freedom of Information Act, and my answer to the right hon. Gentleman is that there is every purpose in parliamentary questions. They have to be answered by a Minister, and they have to be answered very quickly. Occasionally there are delays, but—the right hon. Gentleman will remember this from his time as a Minister—a large part of my box and those of my ministerial colleagues every night relates to answering parliamentary questions. I have a daily diet of questions from, for instance, the hon. and learned Member for Beaconsfield (Mr. Grieve) and his colleagues. I do not complain about that in the least—it is his job. I do my best to ensure that the questions are answered. Normally, the reason for the delay is that I do not think that we are providing full information, not the reverse.

5.15 pm

Occasionally, hon. Members put in an FOI request if they feel that they are being blocked by a Minister. In my experience—obviously I cannot speak directly for other colleagues—that happens only when there is a really strong case in the public interest for not making the information available. In that case, there is of course an opportunity to appeal to the Information Commissioner.

I would not recommend making routine FOI requests because they take much longer to process. There is no requirement to answer such a request in a couple of days, as there is to answer a question tabled to the Secretary of State under our Rolls-Royce system. Such a FOI request goes to someone, inevitably at a lower level, and there is a maximum time of 20 working days, a month, to provide the requested information. Sometimes that limit is exceeded; it can take a lot longer. I accept, however, that FOI has opened up the ability to question Government. In the old days, which the right hon. Gentleman will remember, when I was working as an adviser, Ministers could simply block questions—they

would put a block on any further answers. Nothing could be done about that in that alleged golden age. That time has gone. I have had to say once or twice to officials, "There's no point trying to block this, otherwise we will get an FOI request." My approach has just been to answer the question, and life has gone on. I hope that that is helpful.

I need to make some progress because other colleagues wish to speak. Information affecting relations between the United Kingdom Government and the devolved Administrations may also be sensitive for a longer period, and it is right that that should remain protected beyond the 20-year point, where it is in the public interest to do so.

A related point is that we want to continue to protect information that would be prejudicial to the work of the Executive Committee of Northern Ireland, or which would otherwise prejudice the effective conduct of public affairs in Northern Ireland. I refer to one of the most extraordinary things that has happened in my 31 years in this House. I came here a month after Airey Neave was murdered on the ramp up from the car park. Like many hon. Members, I remember the terrible terrorist outrages that took place in the 1980s and early 1990s. Indeed I was caught up in one in the 1970s. Then, dramatically, following painstaking work, originally by Sir John Major and his Government, including the right hon. and learned Member for Devizes (Mr. Ancram), and under Tony Blair, huge progress has been made. Northern Ireland is completely different now. That could not have taken place—I am glad to see the right hon. Member for North Antrim (Rev. Ian Paisley) in his place—without great statesmanship by both sides of the confessional divide in Northern Ireland and without the possibility of secret, entirely private negotiations. It is important that there should be a record of those. It is also important that they should not be released for a long time.

Mark Durkan (Foyle) (SDLP): I note that my right hon. Friend has referred to the provisions in new schedule 1 that refer directly to Northern Ireland. From whom did the Government seek clearance or agreement for those extended exemptions? If it was just the Northern Ireland Executive, whose affairs are already safeguarded from freedom of information and other things anyway, why do the provisions of the new schedule extend to the Northern Ireland Assembly, Northern Ireland Departments and any Northern Ireland public authority?

Mr. Straw: I did not seek clearance directly from any of the bodies in Northern Ireland. I took the advice of my right hon. Friend the Secretary of State for Northern Ireland. His advice is and has been very careful on this. I will seek to get more information on the matter that my hon. Friend raises when I come to my winding-up speech, if that is helpful.

Mark Durkan: Just to clarify, I fully accept what my right hon. Friend has said about the contribution of the right hon. Member for North Antrim (Rev. Ian Paisley) in latter years, but some of us were deeply involved in putting agreements in place that were about ensuring that we had accountable, transparent Government. Transparency is as important as equality and inclusion in ensuring that public confidence is maintained and sustained in future. People will be deeply suspicious about a change such as this. No one in Northern Ireland appears to have been consulted about it. It appears to have been made completely on the whim and the wheeze of the Secretary of State for Northern Ireland.

Mr. Straw: I will come back to that in more detail in my closing remarks.

I now come to the proposals we have made in respect of the monarchy.

Mr. Gordon Prentice (Pendle) (Lab): First, may I ask about the records of the honours scrutiny committee? I understand that no records have been destroyed but that civil servants are looking at the criteria for selecting those that will be preserved in the National Archives. In a briefing that I have received from the Campaign for Freedom of Information, I am told that the honours exemption would continue for 60 years. Are the Government telling the House that that is indeed the case; that our successors will have to wait a couple of generations before they can find out what the honours scrutiny committee has said about certain individuals?

Mr. Straw: When we were discussing freedom of information between 1998 and 2000, it was agreed that records relating to honours should be subject to a clear exemption, for reasons I think everybody understands. I do not recall Paul Dacre making any suggestions to the contrary, so there is nothing in these proposals that changes that either way.

The provisions relating to the monarchy were presaged in the Government's response, which was published at the end of last week. We are blessed in this country by a constitutional monarchy of the highest standards. Whatever turmoil there might have been in our body politic, above it all and held in continuing high respect, is the position of the sovereign. There were lacunae—I confess that I am the Minister responsible—not in the intention of the Freedom of Information Act, but in its drafting that have raised some uncertainties about the protection of the monarchy in relation to national records. Everybody acknowledges that there is a profound difference between those who hold public office because they are volunteers and those who are members of the royal family, particularly the senior members—the sovereign and the heirs to the throne—who, by definition, serve for a lifetime. It seems to me entirely reasonable—I say this notwithstanding the fact that I am a Minister who has served for a longer period than many—for us to bring the 30-year rule down to 20. But it is of great importance that we protect the political impartiality of the monarchy, the sovereign's right and duty to counsel, to encourage and to warn the Government and the right of the heir to the throne to be instructed on the business of government in preparation for the time when they assume the monarchy. These rely on well established and respected conventions of confidentiality.

Mr. Shepherd: I am not sure whether it is an enigma or not, but the Secretary of State was correct in saying that the institution is held in great esteem because it is non-controversial and does not enter into the public debate. Some members of the royal family, however, are passionate members of society who lobby for objectives. That is where there is a delicacy in this matter. We must maintain clarity in our constitutional arrangements,

[Mr. Richard Shepherd]

and it is an essential key to the stability of the whole institution of the monarchy that the sovereign and their successors do not enter into controversy.

Mr. Straw: I appreciate the point the hon. Gentleman makes. If he examines the proposals in new schedule 1, however, he will see that a distinction is drawn. An absolute exemption is proposed for the monarch, the heir to the throne and the second in line, and a qualified exemption is proposed for other members of the royal family.

It became clear that there were lacunae in the drafting of the Freedom of Information Act—although that was never an issue when it was passing through Parliament as a Bill 10 years ago—in that it does not properly acknowledge the fundamental public interest in maintaining the confidentiality surrounding the conventions, and in that that does not apply to historical records, despite the fact that the sovereign remains in office for life. Therefore, the proposal is for an absolute exemption for information relating to communications with the sovereign, the heir and the second in line, and for those acting on their behalf, of a period of 20 years, or their lifetime plus five years, whichever is longer.

To pick up on the point of the hon. Member for Aldridge-Brownhills (Mr. Shepherd), in recognition of the fact that the constitutional position of other members of the royal family will vary, we are proposing that there should also be a qualified exemption: decisions on whether information relating to them should be released would come after consideration of the public interest test. Their exemption would no longer expire at 30 years; instead it would expire at 20 years, or five years after the lifetime of the relevant member of the royal family, whichever is the later.

David Howarth: I might be mistaken, but it seems to me that paragraph 3 of new schedule 1 affects not only national records, but the application of the Freedom of Information Act to royal communications by removing any possibility of the use of the public interest test from any such communication. Am I right in thinking that that is the effect?

Mr. Straw: As I have said, that paragraph provides an absolute exemption in respect of records relating to the monarch and the next two in line and also for a qualified exemption of 20 years or for five years after the death of the monarch, whichever is later. The hon. Gentleman is correct in that respect.

Dr. Tony Wright (Cannock Chase) (Lab): In the unlikely event that we had a monarch who was seeking to subvert the constitution, would it not be in the public interest for us to know about that?

Mr. Straw: Of course it would, but if the monarch were seeking to subvert the constitution, we would know about that, because it would become rather obvious, and then, of course, it would be perfectly possible for this House to bring in all sorts of emergency legislation, including an Act of Attainder. A trial could be held down in Westminster Hall, and the usual arrangements made for punishment. I do not think for a second that the Freedom of Information Act or this exemption would prevent my hon. Friend and others from knowing about such an act of subversion.

Mr. Gordon Prentice: But there would be a public interest in disclosure if the heir to the throne, or the second in line, were to intervene and change public policy quite significantly. Surely we should know about that.

5.30 pm

Mr. Straw: There is a balance to be struck. My view is that the right balance is encapsulated by the provisions that we make. I seriously say to my hon. Friend that there is no way that members of the royal family can change public policy. They may have opinions, and they are entitled to those—why would they not be? The royal family do a remarkable job in how they comport themselves in this country. As he will know, the work that Prince Charles has done in better educating the public about, and ensuring that they are better informed about, one of the world's wonderful religions, Islam, is remarkable. Some people might regard that as slightly partisan, but I do not; I think that it is entirely appropriate for him to do that. However, he is not making public policy on that matter; public policy is ultimately decided by this place.

I have spoken at slightly greater length than I had anticipated, but I hope that these provisions commend themselves to the House, because they represent a significant further advance on ensuring that there is genuine freedom of information in this country.

Mr. Dominic Grieve (Beaconsfield) (Con): These provisions commend themselves to Conservative Members, and I greatly welcome the fact that the Government have tabled them to implement the proposals in the Dacre report. I join the Secretary of State in thanking those who contributed to putting together the report.

I, too, do not wish to take up too much of the House's time, because the answers given by the Secretary of State on the exemptions in new schedule 1 appear to make eminent sense and there is no point in my repeating the arguments that he put forward. I seek slightly greater clarification on only one matter. I understand that the original proposals in the Dacre report were that we should move from 30 to 20 years and, secondly, that there should be a formula to cover the period that will fall over 10 years to address the differences between the 20 and 30-year periods. In new clause 22, the Government have, perfectly reasonably, not sought to spell that out in primary legislation, but have chosen to give the Lord Chancellor and the Secretary of State discretion on how that is best implemented by statutory instrument.

If my understanding of the new clause is correct, it would therefore be open to the Government, when dealing with the matter at a later date, to go less far than the Dacre report proposes, or to identify some categories for disclosure and some for which disclosure might not happen. Alternatively, they could decide to go further and faster. I should be grateful if the Secretary of State could clarify that point so that the House may understand exactly what it is implementing. However, I appreciate that any order made by the Lord Chancellor would require a statutory instrument and would be

"subject to annulment in pursuance of a resolution of either House of Parliament."

It is important that that point is appreciated because it might offer us an opportunity to speed up the process.

It has always been recognised in the Dacre report, however—and indeed by the Government—that past assurances about the length of time for which material will be retained rather than put in the public domain represent a factor that must to be taken into account when deciding whether that process should be accelerated. When something concerns an individual who is very much alive, and who can therefore be consulted, their view may carry considerable weight when considering whether particular categories of material ought to be disclosed.

That is the only point on which I hope that the Secretary of State might be able to respond. Subject to that, and because I am mindful of the time available for debate, I simply wish to reiterate my welcome and say how grateful I am that we have taken the opportunity—at one stage I thought that we were not going to get it—to have the provisions implemented in this Bill and before the forthcoming general election.

Dr. Tony Wright: One of my right hon. Friend the Secretary of State's many enduring legacies is the introduction of the Freedom of Information Act, and it is appropriate that he is introducing an improvement to that measure in the last days of this Parliament.

First, let me quickly welcome the dog that did not bark: the proposal to exempt Cabinet materials, which was the original intention. I understand that the Prime Minister made a most welcome intervention to ensure that that did not happen. I can understand the temptation for wanting to do it, however. I remember, many years ago, visiting Australia to look at freedom of information when we were contemplating it here. I remember, as might my hon. Friend the Member for Pendle (Mr. Prentice)—we have been together for a long time—that we stood outside the Cabinet room, where we were shown a trolley loaded with papers. People explained that they pushed that trolley into the Cabinet room so that the papers became, ipso facto, Cabinet papers, therefore giving them a blanket exemption. They thought that that was a cunning wheeze, and I can quite see that there would be huge attractions in trying a similar wheeze here. I am glad that even though that idea was flirted with, it was resisted, and we should welcome that.

I never thought I would say that I wanted to praise the editor of the *Daily Mail*, but putting him in charge of the review of the arrangements in this area now looks to have been an inspired decision. I am glad that we are now seeing, more or less, the implementation of what that Committee recommended and that the period is being brought down to 20 years.

I want to say something about the royal family exemption, however. I know that my right hon. Friend the Secretary of State told me that all such things were inconceivable when I raised the question of what would happen if a royal did something or other but, of course, there is a history to all this. Monarchs in the past have not behaved themselves terribly well in terms of the constitutional relationship. People did not know about it at the time, but they jolly well ought to have done. Just before the 1880 election, Queen Victoria wrote in a memorandum:

"If the Liberals…intend to lean to the extreme Radicals, they can never expect any support from the Queen…These are dangerous times and any attempt to make our Institutions Democratic will be most disastrous".

I think that people would have been entitled to know that that was coming out of the palace. In 1906, when the Labour party did rather well in the election, people were entitled to have known that the Prince of Wales, who later became King George V, wrote:

"I see that a great number of Labour members have been returned which is a rather a dangerous sign, but I hope they are not all socialists."

People are entitled to know such things.

As it happens, I am quite an admirer of Prince Charles. He seems to be doing an interesting job—that is, an impossible job with interest—and I find myself in agreement with him on many things. If I were in his position, I would write similarly vigorous letters to Government Ministers about issues of the day. The question is whether such communications—after all, the amendment that we are being asked to consider is, in a sense, the Prince Charles amendment—should remain non-disclosable in perpetuity, which is to say until five years after his death. Given the splendid longevity of members of the royal family, that would be a long time away. As he is someone of robust opinions who tries to persuade Government Ministers to see the world from his point of view, it is not fanciful to suggest that a Government Minister might decide to see things from the point of view of the person writing from the palace.

Let us consider homeopathy, which most sensible people think is not entirely supported by evidence. Suppose that Prince Charles, the heir to the throne, were to weigh in to the debate, giving heavy support to the idea that resources should be devoted to homeopathy. If a Government then decided to start allocating resources to homeopathy, people would be entitled to know that that act of lobbying had been extremely successful. We would want to know about it if it had come from any other source.

We have an obligation both to respect the privacy of such communications at the time and to make sensible judgments about when they can properly be released so that people can see what has happened. What I do not understand is what has been the urgency of making changes in this area. I ask my right hon. Friend to address that point when he responds to the debate, because my understanding is that there is no difficulty and that the current exemption has been upheld whenever it has been tested by the Information Commissioner. I think that my right hon. Friend has to make the case for giving away a public interest test virtually in perpetuity, and I ask him simply whether representations on this issue have come entirely from him, or whether they have come from the royal family itself. With those comments, I extend a welcome to the measures.

David Howarth: I, too, welcome the progress that the new clauses and schedules represent, although I resent slightly the fact that they were introduced so late in the day and that we are taking up time on Report with yet more new Government proposals. It seems to me that the degree of scrutiny that they will get is inadequate. It is now very unlikely that the Bill will get much further than Second Reading in the other place, so the Bill will go straight into wash-up—and who knows what will come out of the other end of that? Certainly, there is no public debate. I fear that that was perhaps part of the intention behind bringing forward at this stage the part to which the hon. Member for Cannock Chase (Dr. Wright) has referred. That said, I welcome the fact that progress is being made.

[David Howarth]

I would like the Secretary of State to say a little more about the decisions that the Government have taken in response to the Dacre review. In his opening remarks, he rather skated over the question of whether there should be a 20-year period, rather than a 15-year period, and gave the impression that although it is perfectly natural for people to suggest a 15-year period, a 20-year period would be far better. The Government seem to be arguing that one reason why Ministers believe that the period should be 20 years is that it would be much less of a distraction to them in their current jobs than if they thought that their deliberations would be revealed in 15 years' time. I wonder whether there is any evidence for that.

Mr. Straw: I can answer that point directly. The review team said that

"neither the case for 15 years nor the case for 20 years is beyond argument. It must be a matter of judgement how to strike the balance".

I do not say that there is direct evidence because we are making judgments about the future, but our judgment was that the balance would be best struck at 20 years. Hon. Members should bear in mind that, with the Freedom of Information Act 2000, most records are not closed even within the current envelope of 30 years—soon to be 20 years, I hope. Records can be requested even after a couple of years. However, that decision was a matter of judgment.

David Howarth: I thank the Secretary of State for that response, but surely there should be some evidence about how long ministerial careers last. Perhaps this point can be applied directly to him. His ministerial career started in 1997, so, under the 15-year rule, he would start to be affected by the greater openness in just a few years' time, which might or might not be just after he has left office. In contrast, he would be affected in seven years' time under the 20-year rule. Would he feel distracted from the exercise of his present office by the prospect that he might have to be open about 1997 in a couple of years' time, as opposed to seven years? Given the robustness with which he approaches his job, that seems unlikely. I therefore voice some scepticism about the way the figure has drifted upwards.

5.45 pm

The second point about which I want to express some scepticism has been raised already in the debate, and has to do with the commercial enterprise exception. I think that a policy decision has been made that has not been acknowledged openly. When commercial organisations or enterprises sign very long-term contracts with public authorities for the provision of public services, they are often very nervous about openness. That is one of the problems: openness is a disincentive for operating the public service in that way.

A further problem—and when I was the leader of a council, I used to think that it was really serious—is that that sort of arrangement has the capacity to freeze public policy in one direction for a very long time. The idea that it is at all legitimate for any political authority, whether it be the Government or a local authority, to enter into contracts that last a generation is, I think, problematical. Simply on policy grounds, therefore, I would prefer there to be a disincentive against awarding very long-term contracts of that sort. I can see why commercial interests might be nervous, but I am glad that they are.

My third point echoes what the hon. Member for Cannock Chase said. This group of amendments contains one piece of good news, if only in the sense of the dog that did not bark. The Cabinet papers exemption was mooted at an earlier stage, and it is very good news that it does not appear in the Government's final proposals. However, I want to add one point to what the hon. Gentleman said, and it is that the ministerial veto is still in place.

That veto was used in connection with the Iraq Cabinet minutes, for example, and again in the case of the Cabinet Committee considering devolution, but I believe that a dangerous drift is taking place. When the veto was used for the first time, the Secretary of State came directly to the House and justified what was going on in an oral statement. He was therefore subject to the accountability of the House, even though everyone said at the time that the case was highly unusual and not a matter of routine.

However, in respect of the second case—the one involving the Cabinet Committee and devolution—the Secretary of State made a written statement. He did not come to the House, and I think that we are drifting towards routine objections—*[Interruption.]* The Secretary of State makes a gesture to show that I have mentioned only two cases. It is true that this is a curve with two points, but where is the trend going? That is the question.

I object to the whole idea of a ministerial exemption, as it is a violation of the separation of powers. However, I would be much more comfortable with the present situation if the Government were to say that, whenever the exemption is used, Ministers at the very least will have to come to the House and justify it orally. They must not be allowed to leave that to a written statement.

Mr. Straw: The legislation has been in force for five years, and the section 53 veto power has been exercised only twice. In that five years, the commission or the tribunal has made scores and scores of decisions that could have been subject to veto. The fact that they have not been shows that the exemption has been used only very rarely.

However, the hon. Gentleman mentioned the statement that I made about the Iraq Cabinet minutes. I am always up for making oral statements, but it is a matter of balance. In that case, the House was properly informed about the matter, and I do not think that anyone made a request for an urgent question. I would also point out to the hon. Gentleman—he may not accept this—that the section 53 veto power is as fundamental to the architecture of the Act as all the other provisions. The truth is that the Act would not have gone through, and no Government would have put their name to it without the full works of the architecture, and one limb depends on another.

David Howarth: On the substance, the Secretary of State and I simply disagree about whether the exemption is fundamental. I do not think that it is. He might be right that it was causative—it helped to get the Bill through the House—but I do not think that it is very important in a proper system of freedom of information, in which the ultimate arbiters should be the courts, not the Government making decisions in cases in which they are one of the parties.

May I correct the Secretary of State? There are several requests for urgent questions in the normal course of events, but those requests are not always granted. There is a problem, because whenever the question of Cabinet minutes arises, the Government react automatically in thinking that the exemption should be used. I do not want that to be the case, because that aspect of the law is still within the general jurisdiction of the commissioner and the public interest test. I do not think that it should be changed simply as a result of the Government's repetitive decision.

Finally, I do not want to add very much to what the hon. Member for Cannock Chase said about the royal papers, but I think that he is right. The problem is not to do with the sovereign at all, but with other members of the royal family. The question is whether a complete exemption from the public interest test—there is no balancing; it is an absolute exemption—should apply beyond the sovereign herself. The hon. Gentleman is quite right to make the point that if lobbying is taking place by anyone—by any citizen—that is something that the public should know about at some point.

The House should also bear carefully in mind the point made by the hon. Member for Aldridge-Brownhills (Mr. Shepherd). The constitution is a delicate balance: the monarchy exists in that balance, because it is politically neutral. That neutrality should not just be an apparent neutrality engineered by legal exemptions but a real neutrality. The possibility of the Freedom of Information Act being brought into play in some cases is an important incentive in making sure that that neutrality is real and not just apparent. Those are my queries and concerns, but the overall policy thrust is moving in the right direction—I just wish that it would move further and faster.

Mark Durkan: Like other hon. Members, I welcome new clause 22, which includes provisions to reduce the 30-year limit and so on. However, I am concerned, as I said in an intervention on my right hon. Friend the Justice Secretary, about new schedule 1, particularly the provisions affecting Northern Ireland. I should like to explain my reservations.

Paragraph 5(4) of new schedule 1, would add several new subsections to section 63 of the Freedom of Information Act 2000. It states, for example, that

"information contained in a historical record cannot be exempt information by virtue of section 36 except"—

and this is one instance—

"in a case falling within subsection (2)(c) of that section where the prejudice or likely prejudice relates to the effective conduct of public affairs in Northern Ireland."

Similarly, proposed new subsection 2B says that compliance applies

"except where the effect...falls within subsection (2)(c) of that section and relates to the effective conduct of public affairs in Northern Ireland."

My right hon. Friend suggested that the purpose was to protect the business of the Northern Ireland Executive. The business of that Executive, or the conduct of their business, is not referred to specifically, but there is a wide descriptor of the likely prejudicing of the conduct of public affairs in Northern Ireland. Many people will be concerned that if the measure is used in relation to historical information in general, and is not specifically linked to the conduct of the Executive or anything else, it could be used to impede requests for information that may well be relevant, particularly in investigations of how Northern Ireland deals with the past on the basis of the Eames-Bradley and any other proposals. Measures could be taken to prevent the release of information that might simply be embarrassing to Ministers or to people involved in the political process as it is now in Northern Ireland, because it might reveal or expose some of their previous involvement in untoward and less constitutional activities. Many people will be deeply concerned that that language can be used to provide a sweeping exemption and protection in relation to historical information that it might be valid to seek.

I hope that the House will not inadvertently be lured into allowing such a sweeping exemption on the grounds that the provision is designed purely to protect the conduct of the business of the Northern Ireland Executive. The measure appears to go much wider than that, and at no point is the Northern Ireland Executive specifically mentioned in the new schedule. I hope that that is something that my right hon. Friend can address.

Some of us have experience of trying to use freedom of information requests to find out what was, or was not, agreed or understood in relation to possible side deals. It was in the public interest to know whether there were side deals and hidden understandings, because many people had objections and suspicions at different stages of the Northern Ireland peace process. In the past—as a party, we have always pushed the process forward, trying to reach agreement and upholding the institutions that were agreed and ratified—our requests were refused on the grounds that they dealt with sensitive political matters. That was simply not credible, and it was fairly insulting, so I would not wish to give further licence to the notion that a British Minister could tell me that I did not have the right to receive clear information about the conduct of political affairs in the devolved realm as it applied to me as an elected representative in that devolved realm, because they had done some other deal with someone else and were too embarrassed to allow that side-deal to emerge. I hope that my right hon. Friend recognises that sustaining our institutions in Northern Ireland and taking them forward requires transparency as much as secrecy and the protection of any sort of covert political deals.

I urge my right hon. Friend, too, to address paragraph 6 of the schedule, which would insert into the Freedom of Information Act new section 80A, relating to information held by Northern Ireland bodies. It states that the new section applies to information held by

"the Northern Ireland Assembly...a Northern Ireland department, or...a Northern Ireland public authority."

It goes on to make it clear that we are talking not about 20 years but 30 years, and it lists other exemptions and outs. If that is for the purposes of protecting the business of the Northern Ireland Executive, why are there references to the Northern Ireland Assembly, Northern Ireland Departments and Northern Ireland public authorities? Was the Assembly consulted on the reference to it? Section 36 of the 2000 Act says that the Speaker of the Assembly is the relevant officer, so were he and the Northern Ireland Assembly Commission

[Mark Durkan]

consulted? If not, what right does the House have to proceed with this, if there has been no approval, agreement or assent?

6 pm

Similarly, were the Northern Ireland Executive or the Office of the First Minister and Deputy First Minister consulted on the provision for Northern Ireland Departments and public authorities, or is it based purely on the surmise and advice of the Secretary of State for Northern Ireland? The Government rightly chose to exempt Cabinet papers not for 30 years, but only for 20, and it would be bizarre if all the affairs of Northern Ireland Departments, public authorities and the Assembly—meaning the information that the Speaker holds—were to be exempt for 30 years. There is no credible reason why they should be, and the public and, I am quite sure, the press in Northern Ireland would be deeply suspicious of that. They would certainly be very suspicious if the provision, having been microwaved out of wherever, passed through this Parliament without any of us from Northern Ireland speaking up to question it.

Mr. Shepherd: I wholly concur with everything that has been said in support of relaxing or expanding freedom of information. Through questions, I have raised my main concerns with this aspect of the Bill, but I shall return to the commercial interests question, which worries me quite deeply.

I remember that, in the early days of our pre-legislative scrutiny of the Freedom of Information Bill under the chairmanship of Rhodri Morgan, we had an interview with commercial interests. One was Tarmac, and we asked its representatives, "Why do we need to exempt you? Why shouldn't your business, where it affects public authorities and so on, be a matter of revelation?" They agreed wholeheartedly with us and wanted to know why rivals secured a contract with a public authority, for instance. That was the commercial engine for their interest in the matter, but if we citizens, taxpayers, Governments and local authorities stand back, do we not find that we have the same objective in wanting to achieve best value for money, for instance? The competitive details—the commercial interest, as it is called—should be a more open book. In some states of the United States, all tendering is open and all contracts are open. They say, "Here's the deal. Who can match it? Who can do better?" Within the process, however, there are obviously other checks and balances on the stability and solidity of the company that provides the services.

The provision before us is an extraordinary exemption. Everywhere else we are bringing the period down to 20 years, but this proposal is for 30 years. Public authority contracts have turned sour in recent years, but that point is not confined to this Government; it predates them and goes back into our history. We are discussing long-term contracts, so I wonder whether the exemption is for national security reasons. Defence installations, nuclear power stations and so on touch on our national security interests if only in respect of our containing them, fighting for them or protecting them from terrorism. But, in truth, on the issue of 30 years' exemption for a contract that a local authority has entered into, ought we not to know whether it is a good contract? How do we evaluate it, and by what do we compare it?

I should have thought that it was in the interests of the Government, House and public authorities to be much more open and frank about these matters, so I wonder why there is always resistance—from Whitehall, in large measure—to such openness, publication or accessibility in respect of what is behind the contracts. I cannot see in what way such a blanket restriction—there is no calibration, remember—assists the public interest, which includes best value, openness and all the criteria that inform, or are meant to inform, the freedom of information legislation.

I know that we want to get through these provisions rapidly, but the Justice Secretary's comments on them were, of necessity, brief: we are under a guillotine, after all. Nevertheless, there is no opportunity to tease out the issue. My proposition to the House is that the evidence suggests a provision that is contrary to the Government's proposal, so I shall not wave it through as a good measure. At the heart of that contention lies some of the answers to the public procurement and long-term contracts that central and local authorities enter into, and that is the point that I wanted to make.

The proposal should be revisited. I know that the Bill is not going anywhere, but I should hope that in the Lords, at least, a beadier eye will be cast over whether the provision is necessary and in the public interest.

Mr. Straw: The hon. and learned Member for Beaconsfield (Mr. Grieve) asked whether the time scale could be compressed or extended, or apply at different speeds to different bodies. In principle, we aim to ensure that the process applies evenly to all bodies over a 10-year period. For example, if we had the order ready and it came into force for 2011, in 2011 the records for two years rather than one—1981 and 1982—would be released; in 2012, the records for 1983 and 1984 would be released; and so on until we got to 2020, when the records for 1999 and 2000 would be released. After that, the transition would be complete.

However, the power to make the order is flexible, as the hon. and learned Gentleman spotted, so it would be possible to include different time scales for different bodies, and to extend or compress them. I suspect that that is not the intention generally, but there may be some bodies whereby for particular reasons it is not practicable to do all that work at the same time. I hope that that answers his question.

The hon. and learned Gentleman was good enough to commend the Government for introducing this legislation. He said that he had doubted whether it would be possible, and I, too, doubted whether it would be possible. I am therefore deeply grateful to the Minister of State, my right hon. Friend the Member for North Swindon (Mr. Wills) for assiduously pressing all Departments in order to ensure not only that we introduced it, but that, with luck, it will go on to the statute book. Given the consensus behind the legislation, I have no reason to believe that that luck should not obtain.

My hon. Friend the Member for Cannock Chase (Dr. Wright) entertained us with dastardly things that had been said by heirs to the monarchy, by the monarch herself in the 1880s and by the heir to the Crown in 1906. If he had wanted to make a point, however, he would have needed some slightly more contemporary examples. Furthermore, it is also true that, as Queen Victoria was uttering those concerns about the Liberals

being elected, £10,000—equivalent to £1 million today—from the Secret Service Vote was routinely made available to the Chief Whip for him to use as he wished to ensure that Government business went through. *[Interruption.]* I shall leave that sedentary intervention where it is and certainly not repeat it.

To a degree, that money ensured compliance, but the idea that these days the Chief Whip should have £1 million in folding money to dish out as he wishes is preposterous. It may have ensured more votes back then, but times change. I think that we have reached a rather settled position on the monarchy, and I have explained the reasons why we believe the proposals to be necessary.

Lynne Jones (Birmingham, Selly Oak) (Lab): Although the examples given by my hon. Friend the Member for Cannock Chase (Dr. Wright), which I watched in my office, were amusing, there have been more recent examples of members of the royal family seeking to intervene in public policy. Why do the Government think it is right to remove the public interest exemption? In most cases, the Information Commissioner has ruled on the side of the royal family, and surely it is right to retain the exemption.

Mr. Straw: The reason is that the current situation was never the intention when the Freedom of Information Act was introduced. I say that without fear of contradiction, because I know what the intention was. I do not recall any suggestion that there should be anything but substantial protection for the monarch and the heirs to the throne. It was a complex Bill, and as the hon. Member for Aldridge-Brownhills (Mr. Shepherd) will recall, it went through a number of iterations. It was certainly a different and much tougher Bill that went on to the statute book compared with the one that I introduced. My hon. Friend the Member for Cannock Chase will remember a most extraordinary period on Report when, without any agreement from any Cabinet Committee, for instance, I accepted a series of amendments to accommodate concerns on both sides of the House.

My hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) and I may simply disagree about this, but I urge on the House the profound distinction between members of the royal family and anybody else in public life. The royal family have not chosen their position. They perform their functions with the utmost professionalism and dedication, but they have their position for life. It is worth bearing in mind that Her Majesty is now on her 11th Prime Minister, I believe. I am one of the few people in the House who can remember her succession to the throne in February 1952—one or two others are in their places, such as the right hon. Member for North Antrim (Rev. Ian Paisley) and the hon. Member for Aldridge-Brownhills. We are a fast-diminishing group, but Her Majesty goes on. If we want to ensure that respect for and confidence in the monarchy continue, we have a duty to ensure that she and the heir to the throne are properly protected. As for everybody below the second heir to the throne, they are subject to qualified exemptions, as I have explained.

Mark Durkan: Will my right hon. Friend clarify whether the exemption will apply only to matters that are directly and personally communicated by the relevant members of the royal family, or also to anything voiced by third parties, perhaps at semi-private lunches to which Ministers are invited?

Mr. Straw: I am sorry to resort to the text of new schedule 1, but my hon. Friend will see that it sets out the relevant categories of information—communications with the sovereign, the heir and the second heir. The key word is "communications", which covers a wide range of information. I believe that it is appropriate that it should. *[Interruption.]* I am grateful to my hon. Friend the Minister of State, who has handed me a note stating that the provision applies also to those acting on behalf of the relevant members of the royal family, which I said in my opening remarks.

It took me a bit of time to catch up with the news that the hon. Member for Cambridge (David Howarth) is going to leave the House, and I am sorry that he is. I made my point about the veto in an intervention on him. I sometimes think that people want to pick and mix the Freedom of Information Act. It is a very tough Act, and notwithstanding the criticisms as it was going through the House that it was no better than the non-statutory information code, it has transformed the public's right to know about what public authorities do and changed the behaviour of national and local government. It is not an à la carte menu, it is a single whole, and as I have said before, the section 53 power is as essential a part of it as the public interest test exceptions in section 2. It is better and more substantial than most comparable freedom of information Acts in the world, including that in Australia.

6.15 pm

We are simply maintaining the status quo with respect to Northern Ireland. We did not ask the Northern Ireland Assembly whether it wanted us to do that, because there was not anything in particular to ask it since we were not changing anything. It will remain open to the Assembly to pass its own freedom of information legislation relating to its own areas of business if it wants to bring it into line with what is happening in this House. That seems an appropriate way to proceed.

I understand the anxiety of my hon. Friend the Member for Foyle (Mark Durkan), but neither the Information Commissioner nor the Information Tribunal allows the text of the Freedom of Information Act to be used more widely than the provisions in it state. If anybody attempts to use the exemptions in it too widely, they have to get past first the Information Commissioner and secondly the tribunal. If they are both blind to the fact that the provisions of the Act are being misused, there can be an appeal to the High Court on a point of law, as there has been. I am quite sure that the High Court would spot the error that was being made, even if the other two institutions had not done so.

Mark Durkan: My right hon. Friend says that no consultation took place because there was no change, but he told us earlier that the reference to Northern Ireland was in the new schedule specifically at the request, and on the advice, of the Secretary of State for Northern Ireland. Obviously it occurred to somebody that there were implications, and they said that Northern Ireland should be exempted. It seems strange that the Secretary of State for Northern Ireland took the decision, not the elected representatives of Northern Ireland.

Mr. Straw: Of course I acted on advice from my right hon. Friend the Secretary of State for Northern Ireland—it would have been eccentric if I had not done so. We had

[Mr. Straw]

made a general policy decision to move to a 20-year period, and my right hon. Friend made what I regarded as cogent arguments for why it should remain 30 years in Northern Ireland, which I accepted for reasons that I have tried to spell out. Because that decision did not affect the status quo, there was nothing on which to consult the Northern Ireland Assembly directly. It is worth bearing in mind that, as I recall, there was no Northern Ireland Assembly when the original Act was passed.

Dr. William McCrea (South Antrim) (DUP): Does the Secretary of State not accept that as well as the Northern Ireland Assembly and the Secretary of State, there are Members and political parties in this House who should have been asked for their considered opinion? Would it not have been appropriate for such consultations to be held?

Mr. Straw: If that is so, I apologise to the hon. Gentleman and his colleagues. All this reminds me that whatever bad things I did in my previous life, they were never bad enough to have me made Secretary of State for Northern Ireland. If I have not explained the matter as fully or comprehensively as I should have done, I will perhaps have to write to my hon. Friend the Member for Foyle and copy the letter to other hon. Members.

Dr. McCrea: Would the right hon. Gentleman not regard being Secretary of State for Northern Ireland as an honour rather than as a burden?

Mr. Straw: It would have been as much of an honour as being Home Secretary, but I will not proceed down that road. It would have been a wonderful honour to be Northern Ireland Secretary and of course, had the Queen's shilling come my way in that respect, I would have accepted it.

Finally, to answer the points raised by the hon. Member for Aldridge-Brownhills, I gather that Departments and other bodies release details of contracts on a regular basis in publication schemes. However, 30 years is necessary for a limited number of contracts that are long term. In any event, all we are doing, as with Northern Ireland matters, is maintaining the status quo—the current 30 years—which I do not think is a huge deal. For quite good reasons, the exemption will still be subject to the public interest test: it is a qualified exemption, not an absolute exemption.

With those comprehensive and informed answers, I commend these provisions to the House.

Question put and agreed to.

New clause 22 accordingly read a Second time, and added to the Bill.

New Clause 23

FREEDOM OF INFORMATION

'Schedule [Amendments of Freedom of Information Act 2000] (which makes amendments of the Freedom of Information Act 2000) has effect.'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Schedule 1

'AMENDMENTS OF FREEDOM OF INFORMATION ACT 2000

1 The Freedom of Information Act 2000 is amended as follows.

2 In section 2(3) (exemptions not subject to public interest test) after paragraph (e) insert—

"(ea) in section 37, paragraphs (a) to (ab) of subsection (1), and subsection (2) so far as relating to those paragraphs,".

3 In section 37(1) (communications with Her Majesty, etc.), for paragraph (a) substitute—

"(a) communications with the Sovereign,

(aa) communications with the heir to, or the person who is for the time being second in line of succession to, the Throne,

(ab) communications with a person who has subsequently acceded to the Throne or become heir to, or second in line to, the Throne,

(ac) communications with other members of the Royal Family (other than communications which fall within any of paragraphs (a) to (ab) because they are made or received on behalf of a person falling within any of those paragraphs), and

(ad) communications with the Royal Household (other than communications which fall within any of paragraphs (a) to (ac) because they are made or received on behalf of a person falling within any of those paragraphs), or".

4 In section 62(1) (meaning of "historical record"), for "thirty years" substitute "twenty years".

5 (1) Section 63 (removal of exemptions: historical records generally) is amended as follows.

(2) In subsection (1)—

(a) omit "28,", and

(b) for "36, 37(1)(a), 42 or 43" substitute "or 42".

(3) In subsection (2)—

(a) omit "28(3)," and

(b) for "36(3), 42(2) or 43(3)" substitute "or 42(2)".

(4) After subsection (2) insert—

"(2A) Information contained in a historical record cannot be exempt information by virtue of section 36 except—

(a) in a case falling within subsection (2)(a)(ii) of that section, or

(b) in a case falling within subsection (2)(c) of that section where the prejudice or likely prejudice relates to the effective conduct of public affairs in Northern Ireland.

(2B) Compliance with section 1(1)(a) in relation to a historical record is not to be taken to have any of the effects referred to in subsection (3) of section 36, except where the effect—

(a) falls within subsection (2)(a)(ii) of that section, or

(b) falls within subsection (2)(c) of that section and relates to the effective conduct of public affairs in Northern Ireland.

(2C) Information cannot be exempt information—

(a) by virtue of section 28 or 43, or

(b) by virtue of section 36 in the excepted cases mentioned in subsection (2A),

after the end of the period of thirty years beginning with the year following that in which the record containing the information was created.

(2D) Compliance with section 1(1)(a) in relation to any record is not to be taken, at any time after the end of the period of thirty years beginning with the year following that in which the record was created, to be capable—

(a) of prejudicing any of the matters referred to in section 28(1) or 43(2), or

(b) of having any of the effects referred to in section 36(3) in the excepted cases mentioned in subsection (2B).

(2E) Information cannot be exempt information by virtue of any of paragraphs (a) to (ad) of section 37(1) after whichever is the later of—

(a) the end of the period of five years beginning with the date of the relevant death, and

(b) the end of the period of twenty years beginning with the date on which the record containing the information was created.

(2F) In subsection (2E)(a) "the relevant death" means—

(a) for the purposes of any of paragraphs (a) to (ac) of section 37(1), the death of the person referred to in the paragraph concerned, or

(b) for the purposes of section 37(1)(ad), the death of the Sovereign reigning when the record containing the information was created."

6 After section 80 insert—

"80A Information held by Northern Ireland bodies

(1) This section applies to information held by—

(a) the Northern Ireland Assembly,

(b) a Northern Ireland department, or

(c) a Northern Ireland public authority.

(2) In their application to information to which this section applies, the provisions of this Act have effect subject to the following modifications.

(3) Section 2(3) (exemptions not subject to public interest test) is to be read as if paragraph (ea) were omitted.

(4) Section 37(1) (communications with Her Majesty, etc) is to be read as if for paragraphs (a) to (ad) there were substituted—

"(a) communications with the Sovereign, with other members of the Royal Family or with the Royal Household, or".

(5) Section 62(1) (meaning of "historical record") is to be read as if the reference to twenty years were a reference to thirty years.

(6) Section 63 (removal of exemptions: historical records generally) is to be read as if—

(a) in subsection (1), for the words from "section" to the end there were substituted "section 28, 30(1), 32, 33, 35, 36, 37(1)(a), 42 or 43",

(b) in subsection (2), for the words from "section" to the end there were substituted "section 28(3), 33(3), 36(3), 42(2) or 43(3)", and

(c) subsections (2A) to (2F) were omitted."'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

Clause 41

ALLOWANCES CLAIMS

Mr. Straw: I beg to move amendment 55, page 24, line 14, at end insert—

'(6) In section 7 of that Act (information and guidance about taxation)—

(a) before subsection (1) insert—

"(A1) The IPSA must—

(a) prepare guidance for members of the House of Commons about making claims under the MPs' allowances scheme;

(b) review the guidance regularly and revise it as appropriate;

(c) publish the guidance in a way the IPSA considers appropriate;

(d) provide to any member on request such further advice about making claims as the IPSA considers appropriate.", and

(b) in the heading omit "about taxation".'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: Government amendments 56 and 58 to 63.

Amendment 91, in schedule 7, page 78, line 7, leave out 'fund' and insert 'trust scheme'.

Government amendment 64, page 78, line 9, leave out sub-paragraphs (2) to (4) and insert—

'*Number and composition of trustees*

1A (1) The following are to be the trustees of the Fund—

(a) one person appointed by the IPSA after consulting the Minister for the Civil Service and the persons who are already trustees of the Fund,

(b) one person appointed by the Minister for the Civil Service after consulting the IPSA and the persons who are already trustees of the Fund, and

(c) 8 persons nominated and selected in accordance with arrangements under paragraph 1B ("member-nominated trustees").

(2) Paragraphs 44 and 45 make transitional provision about the trustees of the Fund.

Member-nominated trustees

1B (1) The trustees of the Fund must make arrangements for the nomination and selection of member-nominated trustees.

(2) The arrangements must provide for the member-nominated trustees to be—

(a) nominated as the result of a process in which all the members of a scheme under paragraph 7 and all the members of a scheme under paragraph 11 are eligible to participate, and

(b) selected as the result of a process in which all those persons are eligible to participate.

(3) The arrangements must—

(a) include provision for the nomination and selection process to take place within a reasonable period of any vacancy arising,

(b) include provision, where a vacancy is not filled because insufficient nominations are received, for the nomination and selection process to be repeated at reasonable intervals until the vacancy is filled, and

(c) include provision that, where the IPSA or the Minister for the Civil Service so requires, a person who is not a member of a scheme under paragraph 7 and is not a member of a scheme under paragraph 11 must have the approval of the IPSA or the Minister for the Civil Service to qualify for selection as a member-nominated trustee.

(4) The arrangements may include provision that where the number of nominations received is equal to or less than the number of vacancies, the nominees are to be treated as selected (subject to sub-paragraph (3)(c)).

Remuneration

1C (1) The IPSA may provide for remuneration and allowances to be payable to the trustees of the Fund.

(2) Any such remuneration and allowances are to be paid from the assets of the Fund.

Resignation and removal of trustees

1D (1) A person appointed as a trustee of the Fund by the IPSA under paragraph 1A(1)(a)—

(a) may resign by giving written notice to the IPSA, and

(b) may be removed by the IPSA after consulting the Minister for the Civil Service and all the other trustees of the Fund.

(2) A person appointed as a trustee of the Fund by the Minister for the Civil Service under paragraph 1A(1)(b)—

(a) may resign by giving written notice to the Minister for the Civil Service, and

(b) may be removed by the Minister for the Civil Service after consulting the IPSA and all the other trustees of the Fund.

(3) A person who is a member-nominated trustee—

(a) may resign by giving written notice to the other trustees of the Fund, and

(b) may be removed by all the other trustees of the Fund acting together.

Proceedings

1E (1) Subject to any provision contained in a scheme under paragraph 3 because of paragraph 3(1)(c), the trustees of the Fund may determine their own procedure.

(2) The validity of any proceedings of the trustees of the Fund is not affected by—

(a) a vacancy among the trustees, or

(b) a defect in the appointment of a trustee.'.

Amendment (a) to Government amendment 64, in paragraph 1B(2)(b), after 'which', insert 'some or'.

Amendment (b) to Government amendment 64, in paragraph 1C(1), after 'may', insert

'with the consent of the Treasury'.

Amendment 90, page 79, line 2, at end insert—

'(bb) the indemnification of the trustees (and former trustees) of the Fund'.

Government amendments 65 to 73.

Amendment 94, page 82, line 6, leave out 'the provision specified in paragraph 24(2)' and insert—

'(i) the provision specified in paragraph 21(1), unless with the consent of the trustees of the Fund,

(ii) the provision specified in paragraph 26, unless with the consent of the trustees of the Fund, and

(iii) the provision specified in paragraph 24(2)'.

Amendment 95, page 83, line 24, at end insert

', except the provisions specified in paragraphs 21(1) and 26 unless with the consent of the trustees of the Fund'.

Amendment 93, page 84, line 16, after 'puts', insert '(or might put)'.

Government amendment 74, page 84, line 18, leave out from 'if' to end of line 28 and insert—

'(a) the trustees of the Fund consent to the new scheme making the provision, and

(b) the person making the new scheme is satisfied that the consent requirement is met.

(4) The consent requirement is met if under the new scheme the provision has effect in relation to an accrued right only with the written consent, given in accordance with sub-paragraph (4A), of—

(a) the person ("P") in respect of whose service the right has accrued, or

(b) if P is dead, the persons ("the survivors") who because of the accrued right are entitled, or may become entitled, to a pension or the benefit of any pension.

(4A) Consent is given in accordance with this sub-paragraph if it is given after the person making the scheme has given P (or the survivors)—

(a) information in writing which adequately explains the nature of the provision and its effect,

(b) notice in writing that they may make representations about the provision,

(c) an adequate opportunity to make such representations, and

(d) notice in writing that the provision has effect in relation to the accrued right only with their written consent.

(4B) Consent may be given by a person acting on behalf of P (or the survivors); and the references in sub-paragraph (4A) to P (or the survivors) include a person acting on their behalf.'.

Amendment (a) to Government amendment 74, in sub-paragraph (4)(b), leave out

'pension or the benefit of any pension'

and insert

'benefit or future benefit payable out of the Fund'.

Government amendment 75.

Government amendment 76, page 84, line 36, leave out sub-paragraphs (2) and (3) and insert—

'(2) "Accrued right", in relation to a provision of the new scheme, means a right or entitlement to or in respect of a pension or future pension payable out of the Fund which has accrued in respect of service before the provision comes into force.

(3) If the person in respect of whose service the right or entitlement has accrued is in service when the provision comes into force, the right or entitlement is to be determined as if the person left service immediately before then.'.

Amendment (a) to Government amendment 76, after 'means a right', insert '(including a contingent right)'.

Amendment (b) to Government amendment 76, leave out

'a pension or future pension'

and insert

'a benefit or future benefits'.

Amendment (c) to Government amendment 76, leave out sub-paragraph (3).

Government amendments 77 to 79.

Government amendment 80, page 85, line 31, at end insert—

'( ) For the purposes of this Schedule "member"—

(a) in relation to a scheme under paragraph 7, means a person with service as a member of the House of Commons who, in respect of that service, has a right or entitlement under the scheme to a pension or future pension payable out of the Fund, and

(b) in relation to a scheme under paragraph 11 , means a person with service to which that paragraph applies who, in respect of that service, has a right or entitlement under the scheme to a pension or future pension payable out of the Fund.'.

Amendment (a) to Government amendment 80, in sub-paragraph (a), leave out 'pension or future pension' and insert 'benefit or future benefits'.

Amendment (b) to Government amendment 80, in sub-paragraph (b), leave out 'pension or future pension' and insert 'benefit or future benefits'.

Government amendment 81.

Amendment 92, page 85, line 40, at end insert—

'"trust scheme" has the same meaning as in section 124(1) of the Pensions Act 1995'.

Government amendments 82 to 88.

Mr. David Heath (Somerton and Frome) (LD): On a point of order, Mr. Deputy Speaker—

Mr. Deputy Speaker: May I just point out to the House that there was an error in the text of proposed amendment (a) to amendment 64, tabled by the hon. Member for Bournemouth, West (Sir John Butterfill)? On page 1153 of the amendment paper, the words

proposed to be inserted should read "some or" and not "some of". I am sure that that will come as matter of great satisfaction to the House, and hopefully we can proceed.

Did you wish to make a point of order, Mr. Heath?

Mr. Heath: That was my point of order, Mr. Deputy Speaker, and you have corrected the matter. Thank you.

Mr. Deputy Speaker: I wish all were satisfied quite so quickly. I am obliged to the hon. Gentleman.

Mr. Straw: It may be convenient for the House if I inform hon. Members that I intend to accept amendments (a) and (b), in the name of the hon. Member for Bournemouth, West (Sir John Butterfill), to amendment 64, which is in my name; and his amendments (a) and (c) to my amendment 67. I also urge the House to accept amendments 90, 93, 94 and 95, which are in his name. I understand that the hon. Gentleman will make clear the reasons why he does not intend to move amendment (a) to amendment 74, amendment (b) to amendment 76, amendments (a) and (b) to amendment 80 and amendments 91 and 92.

The provisions relate to part 4 of the Bill, which implements a number of recommendations of the report by the Committee on Standards in Public Life on MPs' expenses—the Kelly report. Lest there be too much complaint that the Bill is longer now than when it began its journey, I should say that although that is true, one of the main reasons is that in the intervening time, we had the expenses scandal, the Kelly report and a decision by the House to establish the Independent Parliamentary Standards Authority, which was done via free-standing, emergency legislation last summer—the Parliamentary Standards Act 2009. That preceded the Kelly report, and we have decided to implement the parts of the report that require legislation in this Bill, because it is the only available vehicle. That inevitably means that the process has been a bit compressed, but I suggest that it would have been disastrous for the already damaged reputation of the House and of politics if we had not proceeded fully to implement the Kelly report by the time of the forthcoming general election.

During debates in Committee on the Kelly provisions, the right hon. Member for North-West Hampshire (Sir George Young) and others raised a number of issues that I undertook further to consider. In particular, I undertook to look at how we give effect to the Kelly report's recommendations on MPs' pensions and at the enforcement powers of the compliance officer in respect of the expenses regime. I also told the shadow Leader of the House that I would look carefully at his proposal to require IPSA to be ready to offer guidance to Members on prospective claims for expenses, to avoid our getting into a position in which claims are made and rejected, which would be on the public record. It would be better for advice to be given in advance, and I am pleased to tell the House that an amendment in my name meets that concern.

On Members' pensions arrangements, the House will recall that paragraph 13.32 of the Kelly report suggested that either the Senior Salaries Review Body or the independent regulator could, among other things "set the terms and" oversee

"the...administration of parliamentary pensions."

Paragraph 13.34 states that the Committee, after consideration, thought that that should be a matter not for the SSRB, but for the new body. Recommendation 43 states:

"The independent determination of MPs' pay and pensions should be entrenched in primary legislation in the same way as expenses. The independent regulator"—

IPSA—

"should therefore be given statutory responsibility for setting MPs' pay levels and overseeing MPs' pensions as well as for dealing with expenses."

We made some progress on implementing the pensions provisions in Committee. I am grateful to the hon. Member for Bournemouth, West, my right hon. Friend the Member for Islwyn (Mr. Touhig), my right hon. and learned Friend the Leader of the House, and other trustees for their subsequent contributions. I fully recognise that the trustees of the pension fund, who do great, unsung work on behalf of current Members and pensioners are properly anxious to ensure that the new arrangements will work effectively and provide everyone—current Members and pensioners—with appropriate safeguards in respect of their accrued pension entitlements.

I have set out what Kelly recommended, and I think everybody accepts that we must remain faithful to the principles that Kelly set out. He said that the full remuneration package of MPs—expenses, pay and pensions—should be subject to determination by IPSA, and that IPSA should, to use its word, "oversee" the administration of the pension scheme. However, there was no suggestion in the Kelly report that IPSA should do everything in respect of pensions, and IPSA has not made that suggestion.

6.30 pm

The first concern was that there should be proper safeguards for hon. Members' accrued pension rights. My aim is to ensure that the statutory safeguards afforded to members of other occupational pension schemes broadly apply to the parliamentary scheme. As with statutory protection for pension schemes elsewhere, amendment 74 would put a double lock on any provision adversely changing accrued pension rights. It would first be necessary for the trustees to consent to the scheme making such provision and, secondly, each member would have to give his or her informed consent to any changes to accrued rights.

It is the Government's view that in giving such approval, and indeed exercising any of their other functions, the trustees would need to act in the best interests of the members in accordance with their clear fiduciary duties as trustees. That protection means that if IPSA were to change the rules of the scheme, the pension entitlements that other hon. Members and I have would be safeguarded if we left service immediately before any change. No adverse changes could be made to that pension entitlement without the agreement of the trustees or our individual consent.

Secondly, there were concerns that schedule 7, as originally drafted, left open to doubt whether the new arrangements ensured the continuation of a trustee-based scheme with appropriate member representation on the board of trustees. Amendment 64 would put that beyond doubt and set out on the face of the Bill the structure of the board of trustees. The amendments provide for a board of 10 trustees, one of whom would be appointed

by IPSA, a second by the Minister for the Civil Service, while the remaining eight would be member-nominated trustees. It will be left to the trustees collectively to make appropriate arrangements for the nomination and selection of the member-nominated trustees, but such arrangements must involve all members of the MPs' and Ministers' pension schemes.

The amendments include appropriate transitional provisions, so that there can be a managed progression from the current board of trustees to the new one, but the existing trustees will continue to be trustees until the end of the transitional period. There is also provision for the first eight member-nominated trustees to be chosen from among the existing trustees.

Thirdly, amendment 66 would require IPSA to obtain the consent of the trustees before making the administration scheme under paragraph 3 of schedule 7. This is an appropriate further safeguard, given that the administration scheme will set out the trustees' core responsibilities in respect of the administration of the parliamentary contributory pension fund and the management of its assets.

I have considered very carefully whether we have got the balance right between the administration scheme and the MPs' pension scheme. I know that this was another issue that has troubled the trustees. After much discussion, I am satisfied, and I hope that the trustees are too, that we have got the demarcation between the two schemes right. The pension scheme will determine the full range of pension benefits and entitlements. In accordance with the overarching principle of independent determination, these are properly matters for sole determination by IPSA, albeit—as the provisions in the Bill make clear—after consultation with the trustees, the Government Actuary, the Senior Salaries Review Body and others.

I have studied carefully the amendments in the name of the hon. Member for Bournemouth, West and other trustees, and I have had the opportunity to discuss them. I have advised the House on those that I think it should accept. I understand that the hon. Gentleman is ready to withdraw some of his amendments, but I shall address them briefly.

Amendments 91 and 92 are not necessary. There is no question but that the trustees will owe a fiduciary duty to members of the scheme and that it will continue to operate as a trust-based scheme. Nothing in these provisions would alter the current position in that regard. Amendments 74(a), 76(b) and 80(a) and (b) relate to accrued rights. I think that those amendments were based on a misunderstanding, although everyone has had to run very fast with these provisions. It is important that we get them on the statute book quickly, so all of those advising us on all sides have had to work very fast.

The provisions in schedule 7 are based on those in the Parliamentary and Other Pensions Act 1987. Our provisions use the language "pension or future pension", rather than the language "benefit or future benefit" as used in the Pensions Act 1995. The same outcome will be achieved, and there is no question that the use of different language will mean that members are disadvantaged.

Finally, I wish to address the IPSA expenses regime and the role of the compliance officer. In Committee, the right hon. Member for North-West Hampshire was keen to ensure that there was some explicit duty on IPSA to offer guidance to MPs, and I recognise the need for clear, comprehensive and consistent guidance, alongside the scheme itself. This will be essential if the mistakes of the past are not to be revisited. Moreover, such guidance needs to be a living document, regularly reviewed and updated in the light of experience.

In addition, while hon. Members must take personal responsibility for their own expenses claims, it is right that such guidance should be augmented by some facility to seek advice from IPSA, albeit that those arrangements must be a matter for IPSA to determine. In IPSA's consultation paper on the expenses scheme, it made clear its intention to provide such advice and guidance. Amendment 55 will provide statutory underpinning for this.

Finally, amendments 56, 58 to 60 and 62 respond to concerns that the enforcement provisions in schedule 5 to the Bill do not enable the compliance officer to exercise appropriate discretion when seeking to recover overpaid expenses in those cases where the compliance officer has established that IPSA was wholly or partly at fault. There may be circumstances where, for example, an MP incurs expenditure in good faith having sought advice from IPSA; IPSA then reimburses that expenditure; but it subsequently transpires that the advice was erroneous and that the expenses should not have been paid. If in exceptional circumstances such as these the compliance officer finds that IPSA is at fault, we agree that the compliance officer should have discretion not to require full repayment of the overpaid expenses.

I hope that I have given a helpful explanation of the amendments and that they will command the approval of the House.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): On this side of the House, and in common with many others, we have been absolutely clear that MPs' pay and expenses should be determined by an independent body. MPs setting their own financial package is simply not acceptable. Given all that has happened in recent months, that imperative has become ever more pressing. On that basis, we supported the Parliamentary Standards Act 2009.

Just as we supported IPSA's conception, we also pressed for its speedy inception, in order to ensure that the next Parliament can start under a new regime. After a long process of reviews and reports, the passing of the Parliamentary Standards Act 2009, and now with several additions and amendments to the 2009 Act being pursued through the Constitutional Reform and Governance Bill, we are close to ensuring that the next Parliament will be able to start with a clean sheet, so far as pay, expenses and allowances are concerned.

Many of the changes made so far to this Bill are welcome. They have strengthened the Parliamentary Standards Act, following the many important and welcome recommendations made by Sir Christopher Kelly. As a result, the future management of Members' pay and allowances will be independent and transparent, coupled with a more rigorous audit and assurance process.

In Committee, we raised several concerns regarding some of the new clauses introduced by the Government. These included the need for a clearer requirement for IPSA to provide advice to Members; the fact that the compliance officer had a dual role, giving advice as well

as having an investigatory role; the manner in which the original schedule 7 dealt with the transfer of the MPs' pensions scheme to IPSA, along with an obvious lack of consultation by the Government with the scheme's trustees; and the issue of payment of costs by Members in cases where IPSA itself was wholly or partly at fault concerning the advice that it offered. It is clear that the Government have reflected on those and other issues raised by right hon. and hon. Members in Committee, and I am pleased that the result is an improvement in the sections of the Bill dealing with IPSA.

On the issue of repayment of overpaid expenses, and the payment of costs by Members, I am pleased that the points raised by my right hon. Friend the shadow Leader of the House have been acted on and addressed in amendments 56 to 62. On the former, it is sensible that the Government have confirmed a discretion on the compliance officer concerning the full repayment of overpaid expenses when the compliance officer has found IPSA to be wholly or partly at fault. Although the discretion is unlikely to be exercised often, it is important that it exists, if natural justice is to be seen to be done, and actually to be done, in cases where incorrect information has been provided to Members who have subsequently acted on that advice in good faith.

We are also grateful that amendment 55 introduces a specific requirement on IPSA to provide further advice when Members request it. After the general election, all Members—whether old hands or newly arrived—will operate under the new regime, but it is inevitable that there will instances when a potential claim by a Member is not a black-and-white issue, no matter how well drafted the guidance from IPSA might be. The provision of advice will therefore help the process. May I say to the Secretary of State that his acceptance, on this issue, of the substance of the amendment tabled by the shadow Leader of the House and myself, in a spirit of cross-party co-operation, is much appreciated?

Then we come to pensions. Since we met in Committee, it has become clear that the Secretary of State has taken on board many of the points raised in the debate, and his amendments are a welcome step in the right direction. For example, they provide for member-nominated trustees on the board of trustees, which will give members a voice concerning their pension rights. As the chairman of the current board of trustees, my hon. Friend the Member for Bournemouth, West (Sir John Butterfill), said, the amendments tabled will provide

"better protection to pension scheme members and better governance arrangements than those proposed at Committee stage."

However, the trustees clearly had some concerns—hence a number of amendments were tabled in the name of my hon. Friend and his colleagues, and to be fair, as we have heard, the Government have accepted a number of them. For example, amendment 90 provides indemnity for the trustees of the fund, past and present. If that was not made explicit in the Bill, we would certainly have problems trying to find people willing to serve as trustees. Amendments (a) and (b) to amendment 64, which allow for more effective selection of member-nominated trustees and a check on the payment of remuneration to trustees, are also highly sensible.

The Government, however, are not so supportive of another amendment tabled by the trustees. The Government have helped to clarify that the scheme will continue to be trust-based in the future, with amendment 64 dealing with how many trustees are to serve and how they will be appointed. However, the trustees assert that the point of the scheme being trust-based should be made explicit in the Bill, and they seek to do that with amendments 91 and 92. Although the scheme has operated on a trustee basis in the past, given that we are now transferring it to another body, it makes sense to make it as clear as possible that it will continue to be a trustee scheme in the future. On that basis, the Secretary of State might wish to reconsider amendments 91 and 92.

The trustees have also tabled amendment 94, which seeks to ensure that, if IPSA decides in the future to make a payment out of the fund to somebody who has not paid into it, the trustees must give their consent. Although that is an unlikely scenario, the Bill as drafted allows IPSA to do just that, and I am pleased that the Secretary of State has accepted some of the arguments for amendment 94. The trustees also have concerns about the protection of accrued rights, as evidenced by amendments (a) and (c) to Government amendment 76. Again, it is good that the Secretary of State is prepared to hear some of the arguments put forward, and I look forward to hearing what my hon. Friend the Member for Bournemouth, West has to say on that and other amendments.

The issues before us affect all Members, and I am pleased that the Secretary of State has taken note of the various suggestions made in Committee and the amendments before us today. The result is an improved Bill in so far as it relates to IPSA, which is welcome.

Mr. Heath: There is a slight sense of a work in progress about this group of amendments, which is to be entirely expected when trying to translate into legislation the Kelly Committee proposals and to refine the IPSA legislation that we passed earlier in the year.

On pensions, I must say that I was disappointed in Committee that there had clearly been so little prior consultation with the trustees of the pension fund about the shape and detail of the legislation. It seems slightly bizarre that the amendments then tabled apparently had not been thought through properly in conjunction with the trustees such as to allow us to hear what they had to say. However, that was the start of a process that, by and large, has been productive, which is very good news. However, even today the Government amendments before the House are subject to amendments tabled on behalf of the trustees, so clearly the process of reconciling their views had not reached a conclusion when those amendments to the Bill were tabled.

6.45 pm

We heard today that the Lord Chancellor is prepared to accept further amendments tabled on behalf of the trustees, which is good news, because it suggests that we are close to the point at which the two views can be consolidated into a single whole to be put before the House. However, I must say that most Members are not expert in this area and need, I think, the advice of those with much greater experience in order to understand some of the complexities of pension law. Nevertheless, even the least expert Member—probably me—recognised that the previous scheme, which did not provide for board-level representation of recipients of the pension scheme benefits, was out of kilter with what is considered good practice elsewhere. That obviously needed to be dealt with, hence the amendments before us.

I still do not understand entirely one slightly arcane point, although I hope that when I have heard the contribution from the hon. Member for Bournemouth, West (Sir John Butterfill), I will understand it better. It concerns the distinction, in terms of language, between a "pension or future pension" and a "benefit or future benefit", which I understand to be the language of the Pensions Act 1995—if I have got it right. I am not sure whether I understand what possible impact there could be of changing the language from one to the other, other than for the purposes of consistency. If that is the case, I should say that I am normally in favour of consistency, but I shall be interested to hear the arguments on either side. That said, it is not a critical factor, and largely I appreciate the work that has been done, the progress that has been made and the stance taken by the Lord Chancellor.

I shall deal with the amendments relating to IPSA. As I have said from the start, I believe that there are still unanswered questions about the role of the compliance officer. We discussed the matter in Committee, and I was simply told that my concerns had no foundation—and no foundations there remain, because the Lord Chancellor has not put down any amendments about that role.

Mr. Straw: May I take the hon. Gentleman back to his question about the use of the terms "pension or future pension" and "benefit or future benefit"? It is a matter of drafting. "Pension or future pension" is a phrase used in the Parliamentary and other Pensions Act 1987, and the strong advice that I have had is that it is best to stick to that, because it is the foundation of our scheme. "Benefit or future benefit" is used in the Pensions Act 1995. It is a matter of drafting and cleanliness—and nothing else.

Mr. Heath: I thought that that was the case. This is a question of who or what we are going to be consistent with. We cannot be consistent with both, but obviously at some stage, there has been inconsistency between the two enactments—hence the problem.

Returning to IPSA, I was saying that I still have some concerns about exactly to whom the compliance officer will be answerable, if anyone, and about the independence of their role, which will be critical to the operation of the process. I welcome amendment 55, which provides for IPSA to supply guidance, both general and specific, to Members. That function, however, must be separated from that of the compliance officer. The compliance officer cannot provide that advice, because they might find themselves taking a critical view of IPSA's actions, and their independence of action would be frustrated from day one if they were also the source of such advice. That has not been made explicit in the amendment, but no such linkage is suggested by it either. I hope, however, that IPSA will take note of my comments and ensure that the compliance officer is at least at one remove from the provision of any such advice.

The other principal area of amendment in this group relates to the discretion given to the compliance officer in dealing with Members who have been paid sums to which they are not entitled, when IPSA might be wholly or partly at fault. This raises a number of questions. I do not intend to divide the House on this point, but I should like clarification on the definition of fault in this context. Obviously, a simple arithmetical error would constitute a fault, but would a judgment based on advice that had been misconstrued be seen as a fault? We are getting into a difficult area here, in trying to define fault on the part of IPSA.

We should make a clear distinction between an overpayment in which the Member had had no involvement—for example, when they had claimed for a certain amount and more had been put into their bank account, unbeknown to them—and a case in which a Member had claimed for an item of expenditure to which they were not entitled under the scheme. The key question is whether the Member would have incurred the expenditure, were it not for the advice—or clearance, if we are to put it that way—from IPSA that they took before incurring it. It is not the claim that is the issue but the expenditure. If a Member has simply been overpaid, there should be no question but that they should pay it back. The money is not theirs. Whether they received it because of an error by IPSA is immaterial to the fact that they are in possession of public moneys to which they are not entitled.

There is a strong argument for a degree of discretion in arranging the manner and timetable of the repayment, but we should not afford ourselves any discretion in statute as to whether the money should be repaid at all. After all, we do not allow such discretion to people who are overpaid through tax credits, for example. I regularly meet people who are outraged because, having been overpaid in that way, through no fault of their own, they are then being required to repay the money, often at an inconvenient time, even though they have often spent it, perhaps on their children. This often happens to people who are not very well off. We should not give ourselves any latitude that we do not allow others when it comes to overpayment.

A separate issue involves expenditure incurred as a result of an inquiry as to whether it was properly allowable, the answer to which was yes. The expenditure, which would not otherwise have been incurred, is then made, and subsequently reclaimed. Again, the first responsibility must rest with the individual Member, and not on the advice that they were given. If there is to be a discretion to excuse Members who have claimed money inappropriately from repaying it when the claim is determined to be inadmissible, I would expect that discretion to be used very sparingly, if at all. I can see why it is sensible to have some discretion, but I would like IPSA to issue clear instructions on when it is appropriate to use it. I do not think that its use will be appropriate in most cases.

Mark Durkan: The hon. Gentleman says that the discretion is unlikely to be used, but may I remind him that we are talking only about provisional findings that might emerge from an investigation by the compliance officer? If it were to emerge that something was wholly or partly the fault of IPSA, that should be declared very readily; otherwise, people would always entertain the suspicion that, so long as a matter relating to an MP had been referred and investigated, it would always be the MP and only the MP who had done wrong.

Mr. Heath: I should like to make it plain to the hon. Gentleman that I am not talking about the findings. The findings should clearly state whether there was a reasonable case that a Member had been misled by the authority. I am talking about the repayment direction, which is a different matter. As I have said, we do not

extend any latitude to others. Her Majesty's Revenue and Customs do not do so, and the Treasury does not do so via the tax credit system. We must be very careful here. For heaven's sake, if we have learnt one lesson over the past year, it ought to be that we apply the same rules to ourselves as we apply to others. That is the plea that I am making, and I believe that that can be encompassed in the amendments before us today, provided that the discretion is exercised appropriately. But I absolutely agree with the hon. Gentleman that findings that exonerate a Member from blame for a mistake made by others should be made absolutely clear. There should be no question about that, and if it needs to be set out in the way that it has been, that is entirely appropriate. That would not necessarily excuse anyone from repayment, however.

Sir John Butterfill (Bournemouth, West) (Con): The trustees are extremely grateful to the Justice Secretary, who has worked with us tirelessly of late to try to reach agreement on these extremely complex matters. It is important that we do not miss any issues, and that everything is properly understood. The trustees—and, ultimately, pensioners—will face unwelcome and unfair unintended consequences unless we get this right. The trustees have a long track record of trying to act very sensibly—in the interests not only of Members but of taxpayers—in administering the scheme in the past. We have made a number of changes that have resulted in significant savings for the taxpayer.

I can now say that the Bill is much improved; I am confident that there will be good will from IPSA if any matters remain unresolved. There are some instances, however, where the trustees felt it right to bring forward amendments at this stage because of the importance of the issues for members of the scheme and the trustees and because of the need for understanding of matters that need to be shared.

7 pm

What I have to say about the Bill should be seen in the context of the fundamental shift that is going to take place, as recommended by Kelly, when future benefits for Members of this House are to be set by IPSA. That is what will happen and as it goes forward, the trustees will be consulted—but only consulted—on any future scheme. Because of the complexity of pensions, however, and the fact that current and former members have accrued rights within the pension scheme that should be protected, the role of the trustees is important for the administration and the management of the scheme in the future. I hope that the trustees will be helpful to IPSA in dealing with the most complex areas.

The trustees have tabled a number of amendments. After discussion with the Secretary of State, we have been quite happy to amend some of them in a minor way. Amendment 91—amendment 92 is related—states that the parliamentary contributory fund is a "trust scheme". We put that in for the reason that we have always understood, as I think has everybody, that it is a trust scheme, so we felt that it would be sensible to show it on the face of the Bill. The Secretary of State has said that he does not think it absolutely necessary because he has confirmed in this place that it is a trust scheme—I am sure that I am not misrepresenting him on that—so we will not press these amendments.

In amendments (a) and (b) to amendment 64, we have put forward some technical amendments to the method of selection of members. Originally, we were in a position of having to go out to every single member—deferred members, retired members and sitting members—and organise a huge ballot, which would have been extremely complex and rather difficult to achieve. It might not have achieved the selection of people with sufficient skills and knowledge to act within the trustee scheme. We are grateful that the Government will accept our amendment, which provides a good deal more flexibility and will work for the benefit of the scheme as a whole. It will, of course, be consistent with section 241(2)(b) of the Pensions Act 2004. Whatever we do about our own schemes in this place, it is important that we comply with the requirements that we impose on everyone else in the nation; it would be wrong if that were not so.

Under amendment (b), the Treasury would have to consent to the use of parliamentary contributory pension fund assets to remunerate trustees. There again, we think it must be right that if IPSA is to provide remuneration or allowances for trustees out of the fund's assets or for spending on other matters that may arise, it must be right to protect the taxpayer by making that particular area subject to the Treasury's consent. I am quite sure that IPSA would not expect anything else.

Amendment 90 deals with

"the indemnification of the trustees (and former trustees) of the Fund".

As was said earlier, it would be impossible to find anyone willing to serve as a trustee if they did not have an indemnity; indeed, they would be stark raving mad if they did the job without having it. The indemnity will come from the funds. We are grateful that the Secretary of State has agreed to this. Currently, the 1993 regulations provide each trustee and former trustee with an indemnity from the fund's assets, except where prohibited by legislation or in cases of dishonesty, bad faith or recklessness—one hopes that none of those ever arises in the future. Although we should be confident that IPSA would not want to remove this indemnity, it is none the less inappropriate for IPSA alone to have the power to do so without the consent of the trustees.

Amendments 94 and 95 require trustee consent to aspects of proposed IPSA and Minister for the Civil Service benefit powers. Amendment 94 would leave out

"the provision specified in paragraph 24(2)"

of schedule 7 and would insert the stated words in sub-paragraphs (i), (ii) and (iii). I am sorry that these are rather complex amendments and apologise if they are difficult to follow. Amendment 95 would insert

"except the provisions specified in paragraphs 21(1) and 26 unless with the consent of the trustees".

I welcome the Justice Secretary's agreement that paragraph 21(1) of schedule 7, which empowers IPSA or the MCS in relation to the Ministers' scheme to provide

"for the application of assets... in or towards the provision of pensions to be paid otherwise than out of the Fund".

There again, we think that if that happens, it should be subject to the trustees' consent, as it is not appropriate to exercise those powers without the consent of the trustees, who have a duty to safeguard the interests of all the PCPF's members. It is a historic power that has not been used and the safeguard of trustees' consent is necessary.

Paragraph 26 of schedule 7 empowers IPSA or the Minister for the Civil Service in relation to the Ministers' scheme to make

"Provision conferring functions under the scheme on persons specified in or determined under the scheme",

and I welcome again the Secretary of State's agreement to the amendment. Its purpose is to ensure that all the functions currently exercised by the trustees in conjunction with the relevant experts cannot be changed without the consent of the trustees. Commutation factors are relevant, for example. Although they are nominally brought in by the trustees, they are derived from work done by the Government Actuary's Department, which will periodically clarify what the commutation factors should be in line with changes in the market. We did not feel it appropriate for the trustees themselves to dictate that; it should be done through the use of some independent expert.

It is the same with provisions for ill health retirement. Again, the trustees do not determine whether someone is sufficiently ill to merit it. We go to an outside medical opinion, and whether or not someone is entitled to the ill health retirement will derive from whatever that opinion might be. We think that that is a sensible regime, which we imagine IPSA will wish to continue.

I am losing my place here. Amendment 95 is, of course, consequential on amendment 94. Amendment 93 deals with accrued rights protection. We must be sure that the protection of accrued rights for members who have paid in—for many years in many cases—are suitably robust. The amendment would thus insert after "puts", the phrase "(or might put)". We are pleased that the Secretary of State has agreed to that amendment. It will make the accrued rights protection consistent with section 67A(4) of the Pensions Act 1995, which applies to a modification that would or might affect subsisting rights.

We tabled amendment (a) to Government amendment 74 to ensure that accrued rights would apply to all benefits, not just pensions, because we were aware that some benefits under the scheme were not really pensions. Payment to a widow on the death of a Member, for instance, would not constitute a pension, but would fall within the jurisdiction of the present scheme. We have received assurances that the current drafting of the Bill does not limit accrued rights protection to pensions generally, but includes benefits more widely.

Mr. Straw: That is the phrase used in the Parliamentary and other Pensions Act 1987. "Pensions" obviously includes other rights and benefits that are already being paid. I know, and have been advised, that the phrase is widely drafted, but I am grateful to the hon. Gentleman for accepting that it is better to stick with the language of the original foundation scheme than to adopt language that could, to my certain knowledge, produce consequential problems.

Sir John Butterfill: I am pleased to say that the legal advisers to the trustees have confirmed that that is an appropriate interpretation of the legislation. We will therefore not press the amendment to a vote, and the same applies to amendment 80 as amended by amendments (a) and (b).

We tabled amendments (a) to Government amendment 76 because although in the case of a new scheme all the accrued rights will be covered and secured, some rights may be contingent. People who retire because of ill health, for example, will not know of their rights before the new scheme starts, because those rights will be contingent on the deterioration of their health. We are grateful to the Secretary of State for supporting the amendment. Many private sector schemes provide similar protection.

If the Government accept the amendment—which I understand that they will—I shall want to put on record the trustees' recognition that the Government wish to empower IPSA to create a scheme relating to the pension benefits that Members of Parliament will earn in future. The protective words being sought in relation to rights that Members have earned are not intended in any way to prevent IPSA from creating such a scheme. However, the trustees consider it important for the contingent rights of serving Members, which have been paid for by Members' contributions, to be protected.

7.15 pm

Mr. Straw: I grateful to the hon. Members for Bournemouth, West (Sir John Butterfill), for North-West Cambridgeshire (Mr. Vara) and for Somerton and Frome (Mr. Heath) for the general welcome that they have given our proposals. I do not need to say much more about them.

The hon. Member for Bournemouth, West was good enough to accept my explanations in respect of his amendments (a) to amendment 76, (b) to amendment 74, (a) and (b) to amendment 80, and amendments 91 and 92. A total of six amendments refer to only two issues, the substitution of "benefits" for "pensions" and the issue of a trust scheme. I hope that in both instances my explanations have been adequate.

The hon. Gentleman was also good enough to confirm the view of the trustees, which I know is also the view of the whole House—I paraphrase his words—that we should stick faithfully to recommendation 43 of the Kelly report, which states:

"The independent regulator should… therefore be given statutory responsibility for setting MPs' pay levels and overseeing MPs' pensions".

The recommendation is more explicit about IPSA's power to set the terms and oversee the administration of parliamentary pensions.

I believe that our proposals achieve the necessary balance. What I am about to say is almost otiose, but it may just be worth my saying it. If it transpires following the election—it will have to be then, but I hope that this will become law—that because of the speed with which we have had to undertake these measures there are some glitches in the drafting, the House will have to return to the matter. However, given the explanations offered by the hon. Member for Bournemouth, West on behalf of the trustees and those offered by me, and given the spirit in which the changes are being made, I hope that that will not be necessary.

Amendment 55 agreed to.

Clause 43

INVESTIGATIONS

Amendment made: 56, page 25, line 7, at end insert

', including findings that the member's being paid an amount under the MPs' allowances scheme that should not have been allowed was wholly or partly the IPSA's fault.'.—*(Mr. Straw.)*

Schedule 5

PARLIAMENTARY STANDARDS ACT 2009: NEW SCHEDULE 4

Amendments made: 58, page 71, line 16, leave out sub-paragraphs (2) and (3) and insert—

'(2) The Compliance Officer—

(a) if sub-paragraph (2A) applies, may give the member a direction under this paragraph (a "repayment direction"), and

(b) otherwise, must give the member a repayment direction.

(2A) This sub-paragraph applies if the Compliance Officer has made findings under section 9(5) that the member's being paid an amount under the MPs' allowances scheme that should not have been allowed was wholly or partly the IPSA's fault.

(3) A repayment direction must require the member to pay to the IPSA—

(a) if sub-paragraph (2A) applies, such amount (not exceeding the amount of the overpayment) as the Compliance Officer considers reasonable, and

(b) otherwise, the amount of the overpayment.

(3A) The repayment direction must specify the period (the "repayment period") before the end of which that amount is to be paid.'.

Amendment 59, page 71, line 23, leave out 'overpayment' and insert 'amount mentioned in sub-paragraph (3)'.

Amendment 60, page 71, line 40, leave out '1(4)(b)' and insert '1(4)(a) or (b)'.

Amendment 61, page 71, line 40, at end insert—

'( ) The guidance must include guidance about whether the Compliance Officer should include such a requirement if paragraph 1(2A) applies.'.

Amendment 62, page 72, line 10, at end insert—

'( ) if paragraph 1(2A) applies, the Compliance Officer's decision to give the member a repayment direction;

( ) if paragraph 1(2A) applies, the amount the member is required to repay because of paragraph 1(3)(a);'.—*(Mr. Straw.)*

Schedule 6

PARLIAMENTARY STANDARDS: CONSEQUENTIAL AMENDMENTS

Amendment made: 63, page 77, line 41, at end insert—

'PART 2

AMENDMENTS OF OTHER ACTS

European Parliament (Pay and Pensions) Act 1979 (c. 50)

8 (1) In section 1(2) (salaries of MEPs) for paragraphs (a) and (b) substitute "the same as that of the salary payable for that period, under section 4 of the Parliamentary Standards Act 2009, to a Member who does not hold an office or position specified in a resolution of the House of Commons for the purposes of section 4A(2) of that Act (higher salaries for holders of specified offices or positions)."

(2) Omit section 5 (salary to be used for calculating pension benefits).

(3) In section 8(1) (interpretation) omit the definition of ""a Member's ordinary salary" and "a Member's pensionable salary"".

Parliamentary and other Pensions Act 1987 (c. 45)

9 In section 5(2) (interpretation) for the words from "such resolutions" to the end substitute—

"(a) section 4 of the Parliamentary Standards Act 2009, or

(b) in relation to a time before that section was in force, the resolutions of the House of Commons then in force relating to the remuneration of its members."

Ministerial and other Pensions and Salaries Act 1991 (c. 5)

10 In section 4 (grants to persons ceasing to hold ministerial and other offices)—

(a) omit subsection (3),

(b) after that subsection insert—

"(3A) The annual amount of the salary paid to a person in respect of the office of Chairman of Ways and Means or Deputy Chairman of Ways and Means is the difference between—

(a) the annual amount of the salary payable under section 4 of the Parliamentary Standards Act 2009 to a person holding that office, and

(b) the annual amount of the salary payable under that section to a member of the House of Commons who does not hold an office or position specified in a resolution of that House for the purposes of section 4A(2) of that Act (higher salaries for holders of specified offices or positions).", and

(c) omit subsection (7).

Scotland Act 1998 (c. 46)

11 (1) Section 82 (limits on salaries of MSPs) is amended as follows.

(2) In subsection (1)—

(a) before paragraph (a) insert—

"(za) under section 4 of the Parliamentary Standards Act 2009 (salaries of members of the House of Commons),", and

(b) in paragraph (a) for "either House of Parliament" substitute "the House of Lords".

(3) In subsection (2)(b) for "(1)(a)" substitute "(1)(za), (a)".

Government of Wales Act 2006 (c. 32)

12 (1) Section 21 (limits on salaries of Assembly members) is amended as follows.

(2) In subsection (1)—

(a) before paragraph (a) insert—

"(za) under section 4 of the Parliamentary Standards Act 2009 (salaries of members of the House of Commons),", and

(b) in paragraph (a) for "either House of Parliament" substitute "the House of Lords".

(3) In subsection (2)(b) for "(1)(a)" substitute "(1)(za), (a)".'.—*(Mr. Straw.)*

Schedule 7

PARLIAMENTARY AND OTHER PENSIONS

Amendment proposed: 64, page 78, line 9, leave out sub-paragraphs (2) to (4) and insert—

'*Number and composition of trustees*

1A (1) The following are to be the trustees of the Fund—

(a) one person appointed by the IPSA after consulting the Minister for the Civil Service and the persons who are already trustees of the Fund,

(b) one person appointed by the Minister for the Civil Service after consulting the IPSA and the persons who are already trustees of the Fund, and

(c) 8 persons nominated and selected in accordance with arrangements under paragraph 1B ("member-nominated trustees").

(2) Paragraphs 44 and 45 make transitional provision about the trustees of the Fund.

Member-nominated trustees

1B (1) The trustees of the Fund must make arrangements for the nomination and selection of member-nominated trustees.

(2) The arrangements must provide for the member-nominated trustees to be—

(a) nominated as the result of a process in which all the members of a scheme under paragraph 7 and all the members of a scheme under paragraph 11 are eligible to participate, and

(b) selected as the result of a process in which all those persons are eligible to participate.

(3) The arrangements must—

(a) include provision for the nomination and selection process to take place within a reasonable period of any vacancy arising,

(b) include provision, where a vacancy is not filled because insufficient nominations are received, for the nomination and selection process to be repeated at reasonable intervals until the vacancy is filled, and

(c) include provision that, where the IPSA or the Minister for the Civil Service so requires, a person who is not a member of a scheme under paragraph 7 and is not a member of a scheme under paragraph 11 must have the approval of the IPSA or the Minister for the Civil Service to qualify for selection as a member-nominated trustee.

(4) The arrangements may include provision that where the number of nominations received is equal to or less than the number of vacancies, the nominees are to be treated as selected (subject to sub-paragraph (3)(c)).

Remuneration

1C (1) The IPSA may provide for remuneration and allowances to be payable to the trustees of the Fund.

(2) Any such remuneration and allowances are to be paid from the assets of the Fund.

Resignation and removal of trustees

1D (1) A person appointed as a trustee of the Fund by the IPSA under paragraph 1A(1)(a)—

(a) may resign by giving written notice to the IPSA, and

(b) may be removed by the IPSA after consulting the Minister for the Civil Service and all the other trustees of the Fund.

(2) A person appointed as a trustee of the Fund by the Minister for the Civil Service under paragraph 1A(1)(b)—

(a) may resign by giving written notice to the Minister for the Civil Service, and

(b) may be removed by the Minister for the Civil Service after consulting the IPSA and all the other trustees of the Fund.

(3) A person who is a member-nominated trustee—

(a) may resign by giving written notice to the other trustees of the Fund, and

(b) may be removed by all the other trustees of the Fund acting together.

Proceedings

1E (1) Subject to any provision contained in a scheme under paragraph 3 because of paragraph 3(1)(c), the trustees of the Fund may determine their own procedure.

(2) The validity of any proceedings of the trustees of the Fund is not affected by—

(a) a vacancy among the trustees, or

(b) a defect in the appointment of a trustee.'.—*(Mr. Straw.)*

Amendments made to amendment 64: (a), in paragraph 1B(2)(b), after 'which', insert 'some or'.

Amendment (b), in paragraph 1C(1), after 'may', insert

'with the consent of the Treasury'.—*(Sir John Butterfill.)*

Amendment 64, as amended, agreed to.

Amendment made: 90, page 79, line 2, at end insert—

'(bb) the indemnification of the trustees (and former trustees) of the Fund'.—*(Sir John Butterfill.)*

Amendments made: 65, page 79, line 3, leave out 'number, qualification and'.

Amendment 66, page 79, line 19, at beginning insert—

'( ) The IPSA may make a scheme under paragraph 3 only with the consent of the trustees of the Fund.'.

Amendment 67, page 79, line 22, leave out paragraph (c).

Amendment 68, page 79, line 28, leave out paragraph (a).

Amendment 69, page 80, line 22, leave out from 'with the' to 'make' in line 23 and insert 'relevant consents,'.

Amendment 70, page 80, line 24, at end insert—

'(1A) The "relevant consents" means—

(a) if the result of making the provision is that the amount of the Exchequer contribution in respect of any financial year is less than it otherwise would be, the consent of the Treasury, the Minister for the Civil Service and the trustees of the Fund, and

(b) otherwise, the consent of the Treasury and the Minister for the Civil Service.'.

Amendment 71, page 80, line 28, after '(a)' insert

'(if sub-paragraph (1A)(a) does not apply)'.

Amendment 72, page 80, line 28, after 'Fund,' insert—

'( ) the Government Actuary,'.

Amendment 73, page 81, line 24, after 'as' insert 'in service as'.—*(Mr. Straw.)*

Amendments made: 94, page 82, line 6, leave out 'the provision specified in paragraph 24(2)' and insert—

'(i) the provision specified in paragraph 21(1), unless with the consent of the trustees of the Fund,

(ii) the provision specified in paragraph 26, unless with the consent of the trustees of the Fund, and

(iii) the provision specified in paragraph 24(2)'.

Amendment 95, page 83, line 24, at end insert

', except the provisions specified in paragraphs 21(1) and 26 unless with the consent of the trustees of the Fund'.

Amendment 93, page 84, line 16, after 'puts', insert '(or might put)'.—*(Sir John Butterfill.)*

Amendments made: 74, page 84, line 18, leave out from 'if' to end of line 28 and insert—

'(a) the trustees of the Fund consent to the new scheme making the provision, and

(b) the person making the new scheme is satisfied that the consent requirement is met.

(4) The consent requirement is met if under the new scheme the provision has effect in relation to an accrued right only with the written consent, given in accordance with sub-paragraph (4A), of—

(a) the person ("P") in respect of whose service the right has accrued, or

(b) if P is dead, the persons ("the survivors") who because of the accrued right are entitled, or may become entitled, to a pension or the benefit of any pension.

(4A) Consent is given in accordance with this sub-paragraph if it is given after the person making the scheme has given P (or the survivors)—

(a) information in writing which adequately explains the nature of the provision and its effect,

(b) notice in writing that they may make representations about the provision,

(c) an adequate opportunity to make such representations, and

(d) notice in writing that the provision has effect in relation to the accrued right only with their written consent.

(4B) Consent may be given by a person acting on behalf of P (or the survivors); and the references in sub-paragraph (4A) to P (or the survivors) include a person acting on their behalf.'.

Amendment 75, page 84, line 29, leave out '(3)(a)' and insert '(4)(a)'.—*(Mr. Straw.)*

Amendment proposed: 76, page 84, line 36, leave out sub-paragraphs (2) and (3) and insert—

'(2) "Accrued right", in relation to a provision of the new scheme, means a right or entitlement to or in respect of a pension or future pension payable out of the Fund which has accrued in respect of service before the provision comes into force.

(3) If the person in respect of whose service the right or entitlement has accrued is in service when the provision comes into force, the right or entitlement is to be determined as if the person left service immediately before then.'.—*(Mr. Straw.)*

Amendments made to amendment 76: (a), after 'means a right', insert '(including a contingent right)'.

Amendment (c), leave out sub-paragraph (3).—*(Sir John Butterfill.)*

Amendment 76, as amended, agreed to.

Amendments made: 77, page 85, line 4, leave out paragraph (a).

Amendment 78, page 85, line 8, leave out paragraph (a).

Amendment 79, page 85, line 12, leave out sub-paragraph (6).

Amendment 80, page 85, line 31, at end insert—

'( ) For the purposes of this Schedule "member"—

(a) in relation to a scheme under paragraph 7, means a person with service as a member of the House of Commons who, in respect of that service, has a right or entitlement under the scheme to a pension or future pension payable out of the Fund, and

(b) in relation to a scheme under paragraph 11 , means a person with service to which that paragraph applies who, in respect of that service, has a right or entitlement under the scheme to a pension or future pension payable out of the Fund.'.

Amendment 81, page 85, line 35, at end insert—

'"member-nominated trustee" has the meaning given by paragraph 1A;'.

Amendment 82, page 90, line 38, leave out from beginning to 'may' in line 41 and insert—

'(1) The existing regulations have effect (subject to any provision in an order under section 89 of this Act)—

(a) so far as they relate to matters which could be contained in a scheme made by the IPSA under paragraph 3, as if they were a scheme made by the IPSA under that paragraph,

(b) so far as they relate to matters which could be contained in a scheme made by the IPSA under paragraph 7, as if they were a scheme made by the IPSA under that paragraph, and

(c) so far as they relate to matters which could be contained in a scheme made by the Minister for the Civil Service under paragraph 11, as if they were a scheme made by the Minister under that paragraph.

(2) An order under section 89 or 90 of this Act'.

Amendment 83, page 91, line 8, leave out 'The order' and insert

'An order under section 89 or 90 of this Act'.

Amendment 84, page 91, line 16, leave out 'The order' and insert

'An order under section 89 or 90 of this Act'.

Amendment 85, page 91, line 24, after 'means' insert 'the'.

Amendment 86, page 91, line 25, at end insert

'in force immediately before the date specified in an order made by a Minister of the Crown by statutory instrument.

( ) An order under sub-paragraph (8) may specify different dates for different purposes.'.

Amendment 87, page 92, line 4, leave out '1' and insert '1A to 1D'

Amendment 88, page 92, line 7, at end insert—

'( ) In paragraph 29(2) of Schedule 1 (interpretation) in the definition of "regulation functions" after "18(2)" insert "and (3)".

43 (1) An order under section 13 of the Parliamentary Standards Act 2009 may make the provision mentioned in section 13(6) (provision for transfer schemes) in connection with this Schedule (as well as in connection with that Act).

(2) But for this purpose—

(a) the reference in section 13(6)(a) to matters dealt with by the rules is to be treated as a reference to matters which could be dealt with by a scheme under paragraph 3 or 7;

(b) section 13(6)(b) and (c) does not apply to property, rights and liabilities, or documents and information, held by or on behalf of the trustees of the Fund.

(3) Section 13(7) of that Act applies to a scheme made by virtue of section 13(6) and this paragraph.

Trustees of the Fund

44 (1) This paragraph applies if, under an order under section 90, paragraph 1A comes into force for the purpose of making an appointment under paragraph 1A(1)(a) or (b) before it comes into force for other purposes.

(2) The reference in paragraph 1A(1)(a) or (b) to the persons who are already trustees of the Fund is to the persons who are trustees of the Fund by virtue of section 1 of the Parliamentary and other Pensions Act 1987 (c. 45).

45 (1) In this paragraph "the transitional period" means the period of six months beginning with the day on which paragraph 1A comes into force (other than for the purpose of making an appointment under paragraph 1A(1)(a) or (b)).

(2) During the transitional period—

(a) paragraph 1A(1) applies as if for paragraph (c) there were substituted—

"(c) the persons who (by virtue of section 1 of the Parliamentary and other Pensions Act 1987) are the trustees of the Fund immediately before the beginning of the transitional period.", and

(b) paragraph 1D applies to persons who are trustees of the Fund because of paragraph (a) as if they were member-nominated trustees.

(3) But if a person who is a trustee of the Fund immediately before the beginning of the transitional period is appointed under paragraph 1A(1)(a) or (b) that person is not to be treated as being a trustee of the Fund because of sub-paragraph (2)(a).

(4) The trustees of the Fund must make arrangements (the "transitional arrangements") for 8 persons to be nominated and selected as member-nominated trustees before the end of the transitional period.

(5) Those persons become member-nominated trustees immediately after the end of the transitional period.

(6) Only persons who are trustees of the Fund immediately before the beginning of the transitional period may be nominated and selected as member-nominated trustees under the transitional arrangements.

(7) But if it is not possible to secure 8 member-nominated trustees from among those persons, the deficiency may be supplied by other persons.

(8) At the end of the transitional period any persons who—

(a) immediately before the end of that period, are trustees of the Fund because of sub-paragraph (2)(a), but

(b) have not been nominated and selected as member-nominated trustees,

cease to be trustees of the Fund.'.—*(Mr. Straw.)*

Clause 59

DEMONSTRATIONS ETC IN THE VICINITY OF PARLIAMENT

Mrs. Eleanor Laing (Epping Forest) (Con): I beg to move amendment 2, page 33, line 16, leave out 'section 132 to 138' and insert

'sections 132 to 136 and section 138.'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: amendment 8, page 33, line 18, leave out subsection (2).

Amendment 9, page 95, line 15, leave out schedule 9.

Amendment 10, in schedule 9, page 95, line 21, leave out from 'procession' to end of line 18 on page 55 and insert

'or a public assembly that is having the effect of preventing reasonable access to the Houses of Parliament.

(2) The Speaker of the House of Commons shall decide whether reasonable access to the Houses of Parliament has been prevented.

(3) If the Speaker has decided under subsection (2) that reasonable access to the Houses of Parliament has been prevented, the senior police officer may, for the purpose of restoring reasonable access to the Houses of Parliament, give directions to any person who is organising or taking part in the public procession or public assembly.

(4) The directions referred to in subsection (3) must be necessary for the purpose of restoring access to the Houses of Parliament and proportionate to that purpose.'.

Amendment 17, page 95, leave out lines 40 and 41.

Amendment 24, page 95, line 41, at end insert

'in relation to how the specified requirements for maintaining access to and from the Palace of Westminster shall be met'.

Amendment 14, page 96, leave out lines 1 to 3 and insert—

'(6) A statutory instrument containing an order under this section must be approved by both Houses of Parliament.'.

Amendment 26, page 96, line 5, leave out 'include' and insert 'are limited to'.

Amendment 11, page 96, leave out lines 15 to 18.

Amendment 12, page 96, leave out lines 21 to 39.

Amendment 19, page 96, line 27, leave out '300' and insert '250'.

Amendment 30, page 96, line 28, leave out 'the nearest relevant entrance' and insert

'the point nearest to it in Parliament Square'.

Amendment 31, page 96, leave out lines 29 to 36.

Amendment 15, page 96, leave out lines 37 to 39 and insert—

'(5) A statutory instrument containing an order under this section must be approved by both Houses of Parliament.'.

Amendment 13, page 96, line 40, leave out from beginning to end of line 35 on page 97 and insert—

'14ZB Special provision for a House or Committee meeting outside Palace of Westminster

(1) If either House of Parliament, or a committee of either House of Parliament, intends to meet in a building outside the Palace of Westminster, the Secretary of State may by order made by statutory instrument specify that the building shall count as part of the Houses of Parliament for the purposes of section 14ZA on the day or days that the meeting is taking place.

(2) A statutory instrument containing an order under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

For the purposes of this section, the Speaker may delegate the matter referred to in section 14ZA(2) to the person who is in the chair of the relevant meeting.'.

Amendment 20, page 97, line 1, leave out '300' and insert '250'.

Amendment 21, page 97, line 19, leave out from 'any' to 'used' in line 20 and insert

'day on which the specified building is'.

Amendment 22, page 97, leave out line 23.

Amendment 18, page 97, leave out lines 29 and 30.

Amendment 25, page 97, line 30, at end insert

'in relation to how the specified requirements for maintaining access to and from the specified building shall be met'.

Amendment 16, page 97, leave out lines 31 to 33 and insert—

'(9) A statutory instrument containing an order under this section must be approved by both Houses of Parliament.'.

Amendment 3, page 97, leave out lines 36 to 40 and insert—

'*Serious Organised Crime and Police Act 2005 (c. 15)*

2 (9) In section 137, the following amendments are made in relation to the use of amplified noise equipment and other devices designed to produce noise in the area around Parliament.

(10) For "loudspeaker" wherever it occurs substitute "amplified noise equipment or other device designed to produce noise".

(11) In subsection (1) leave out "in a street in the designated area" and insert "in the area around Parliament, as specified by order under section 14ZB of the Public Order Act 1986".

(12) In subsection (2), leave out paragraph (i).

(13) After subsection (3) insert—

"(3A) A police officer shall, on receipt of a complaint of excessive noise caused by amplified noise equipment or other device designed to produce noise, have the power—

(a) to require the operator to desist, and

(b) in the event of non-compliance, to seize the amplified noise equipment or other device designed to produce noise and to retain it as long as it is deemed necessary.

(3B) The powers available under subsection (3A) above may be exercised by the most senior police officer in the immediate vicinity of the source of the noise."

(14) In subsection (6) leave out "or of" and insert "save where prohibited under".'.

Amendment 23, page 98, line 4, leave out paragraph 5.

Mrs. Laing: Although amendment 2 is the lead amendment, it is to amendment 3, proposed by the Conservatives, that I should like to address my remarks. It would amend the Serious Organised Crime and Police Act 2005 in respect of activities in Parliament square. The amendment would empower the most senior police officer present, first, to require the operator of amplified noise equipment to desist and, secondly, to confiscate the equipment on receipt of a complaint about excessive noise.

Mr. Heath: I spent rather a large part of my life dealing with the Serious Organised Crime and Police Bill in Committee and on Report. One of the criticisms, which I thought Conservative Front Benchers at the time shared, was of the provision that allowed for the powers under that Act in respect of Parliament square to be exercised by an officer of no higher rank than constable. Is it not the case that what the hon. Lady is proposing today revisits that issue, with Conservatives on the other side of the argument? The nearest available police officer may well simply be a constable, yet she is proposing that that constable be given these powers.

Mrs. Laing: No, the hon. Gentleman is nit-picking. The intention of amendment 3—*[Interruption.]* We are discussing the general principle, although I agree that we are also discussing the particulars. I do not see that there is a conflict between what was said some years ago and what is being said now. However, if there is a conflict, my answer is simply that what is on today's amendment paper is what we are proposing today and that is what I am putting before the House now.

Mr. Heath: It is the opposite.

Mrs. Laing: If it is the opposite of what some colleagues of mine said some years ago, so be it—this is what we propose today. The hon. Gentleman is wasting time. We have very little time to get through the rest of this Bill. If he does not want powers to be taken to sort out the chaos in Parliament square, he is entitled to say so, but we are discussing what is in front of us now.

The Bill as it stands does not provide an alternative arrangement for dealing with an effective sanction by completely removing the illegality of the offence. We all know that people who work in the buildings surrounding Parliament square are particularly affected by the use of amplified loudspeakers, which are used almost constantly by protesters. We in this Chamber are protected. We cannot hear the noise when we are in here, but it is the people who work for us and the people who run the parliamentary offices and Government Departments who are affected. The vast majority of people who have complained are not Members of Parliament. There may be a feeling out there that Members of Parliament get what they deserve, and fair enough, but that is not the point. The point is that it is their long-suffering secretaries, assistants and researchers who bear much of the distress and disturbance.

My hon. Friend the Member for New Forest, East (Dr. Lewis)—I hope that he will be able to address the House on the matter shortly; he has campaigned effectively on the issue for some time—has received 52 complaints. I hope that he will not go into great detail on all 52, but I am sure that he will give us a flavour of them. For that reason, I will not go into those details, because he is well able to do so. However, 52 people have complained and there are many more who agree with them because their professional lives are frequently made more difficult and distressing by what can only be described as harassment from the protesters in Parliament square.

If the intention behind amplifying at such volumes is to penetrate the walls of Parliament and reach the legislators within, frankly, it does not work. It is impossible to distinguish what is being said, so although the enormously disturbing sound is loud, the message is not transmitted to its intended audience. Thus the aim of penetrating Parliament to convey a message is lost.

We also understand that there are practicalities to consider. I am being intentionally brief because we have so much more of the Bill to get through—once again, we do not have enough time to do that—and I believe that most hon. Members are well aware of the problem. The Government are also well aware of the problem and have been sympathetic to various plans over the years to try to sort it out. They have themselves tried to legislate to improve the situation in Parliament square. Frankly, they have failed but I am not blaming them—this is not a party political matter; it is a matter of principle and of getting the balance right. Allowing freedom of speech is of course essential in our free country, and freedom of speech in the vicinity of Parliament is totally right. It is the freedom and the right of every person in this country to be able to tell Parliament what they think, but that has to be balanced with the practicality of having, effectively, chaos and constant noise in Parliament square.

Mr. Hugo Swire (East Devon) (Con): Is my hon. Friend aware of any other legislature in the world that would allow the chaos—the unregulated behaviour—that goes on outside our front doors?

Mrs. Laing: My hon. Friend makes an extremely good point. I know of no other legislature that would put up with the chaos and mess that is out there now. I am always a great defender of freedom of speech. Freedom of the individual is the most important thing that this Parliament stands for. If we do not stand for that, we stand for nothing, but because some people have set up camp in Parliament square and effectively have a monopoly on that bit of ground, from which they can be most noisy and disrupt this place, other people who may wish to come for a day or an hour to make a short protest about something about which they care and that affects their families, town or principles, do not have the freedom of speech that they should have. The people who have already set up camp and established their monopoly are in a strong position and are preventing other people from having the freedom of speech that they deserve.

Mr. David Blunkett (Sheffield, Brightside) (Lab): I have enormous sympathy with the hon. Lady's points. How could I not, as I have made them in the past? Would she be prepared not to press the amendment, to allow a cross-party, sensible approach to be adopted, rather than this being seen as adversarial?

7.30 pm

Mrs. Laing: I understand the right hon. Gentleman's point but I had hoped that this debate was not adversarial. I had the impression that the amendment has support on both sides of the House. I do not wish to be adversarial at all. Unfortunately, when a similar amendment was tabled in Committee we ran out of time and it was not debated. If at that stage the right hon. Gentleman had made such a request, I would certainly have acceded to it. Now, alas, it is too late because we are running out of time. It is a pity that this long, ever-expanding and important Bill did not have more time in Committee, which would have allowed his proposed solution to prevail. I accept that he knows a great deal about the issue and that he is one of those who, very reasonably, tried to sort it out.

Mr. Swire: My hon. Friend, who is being very indulgent in giving way, makes an extremely good point: many who might like to protest here over a particular issue are effectively debarred from doing so because of the almost permanent campsite in Parliament square. Might not one approach be to say that any demonstration in future should be an accompanied demonstration and that people should not just be allowed to set up camp and disappear, effectively leaving the site unmanned?

Mrs. Laing: My hon. Friend is absolutely correct. That is one possible solution. Good ideas are now coming forward—I am sure that there will be more from other parts of the House—and it is a great pity that we did not have the opportunity in Committee to explore the matter further. That would also have given the Minister a chance to put the Government's point of view. I am sure that we could have achieved a consensus. It is still my hope that we will achieve a consensus this evening because the vast majority of people who work and live in and around Parliament square want to see the current chaos removed and order put in its place. I want to see freedom of speech and the opportunity for freedom of speech for every citizen in this country, not just those who now monopolise Parliament square.

David Howarth: I am sorry to disappoint the hon. Lady, but I do not think there is consensus on the issue, and the more she spoke, the more I realised why there is not. I do not think that there is chaos outside; far from it. I have seen chaos and that is not chaos. It is untidy and annoying for people who like everything to be neat, tidy and orderly, but it is not chaos. I oppose the amendment, first, because I do not think that there is much of a problem and, secondly, to the extent that there is a problem, the means already exist for dealing with it.

Parliament is situated in the middle of a city; it is not in the middle of the countryside. One cannot expect total silence in the middle of a city. The evidence of the noise that we hear—it was accepted by the Government in their consultation exercise—showed that it was no more annoying than traffic noise. *[Laughter.]* It might be that I have lived a more urban life than members of the Conservative party; I am almost certain that I have. The idea that one cannot work in a city that is somewhat noisy would come as a great surprise to most of the inhabitants of London and all our great cities, and certainly to the inhabitants of New York. The idea that one cannot work except in total silence is extraordinary. If I think of occasions when my own work and that of my office in the precincts of the Palace has been disrupted, it has not been by protests outside but by the helicopter that we sometimes hear—whether it is a police or MOD helicopter, I am not sure—or by noise from the river traffic, which is the kind of thing that one expects if one lives and works in a major city.

To the extent that there is a problem, I cannot see why we need special protection in this House, and why we cannot use the general law. I cannot see why we should give ourselves some kind of special position legally. There are three obvious existing legal methods for dealing with any problem that arises. First, there is statutory nuisance—environmental health legislation.

Dr. Julian Lewis (New Forest, East) (Con): I wish that the hon. Gentleman were right—I really do—but that does not apply to political protests.

David Howarth: It applies in the sense that if noise gets entirely out of hand, environmental health standards come in. If it does not apply, it will be for human rights reasons, in which case there is nothing that the amendment can do about it as it would violate the Human Rights Act and the European convention on human rights. Either way, the hon. Gentleman cannot go down that route.

Even if the statute does not apply, there is the common law of public nuisance, which has been applied to demonstrations for centuries.

Dr. Lewis: Can I tell the hon. Gentleman—not in a partisan, spiteful or exasperated way—that all these alternative remedies have been explored with Westminster council and the police, and none of them applies? None of them works. The only sanction that could ever be imposed would be to report the matter to the courts. If at the end of that there were a judgment, a fine would be paid by someone else. Nothing can be done to stop the noise other than a right of confiscation of equipment.

David Howarth: First, the hon. Gentleman seems unwilling to accept the rule of law; he wants to exempt himself from the ordinary courts. I do not see how that is acceptable. Secondly, there is already a right of confiscation of noise-making equipment—stereos and so on—under environmental health law. Many of us have been local councillors and have seen the police use this power in conjunction with environmental health officers. If it turns out that Westminster council is not very efficient, I suggest that Conservative Members should address themselves to their fellow party members who run that council.

There is a third way in which demonstrations can be brought to an end; it is if they cause serious disruption to the life of the community, as contained in section 14 of the Public Order Act. If the hon. Gentleman wants to tell me that that cannot be used, I can tell him that I have seen it myself being used at the G20 demonstration. It is not the case that there is no remedy.

I find the details of the amendment even more extraordinary. Confiscating all amplified noise equipment seems to me to amount to banning speeches at any demonstration in the vicinity of Parliament. Anyone who has tried to make a speech outside in a noisy city will know how difficult it is to make oneself heard. This seems to be a direct attempt to make sure that people cannot have their voice heard at organised demonstrations. Also, the Government picked up in their consultation that in a demonstration it is quite important for the stewards and organisers to be able to get their point across to keep order within their demonstration. Having to do that without the assistance of any amplification would make demonstrations more dangerous for the people taking part.

There is a further point. It is often said—I have heard it said from the Conservative Front Bench as well as my party's—that any power we grant will end up being abused. A power is being granted here to seize any device designed to make a noise. That could cover almost anything—buckets, balloons or party poppers, for instance. *[Interruption.]* The hon. Member for Epping Forest (Mrs. Laing) is looking amazed, but all those things were seized by the police in the Kingsnorth demonstration in Kent, on the grounds that they were going to be used in illegal ways. *[Interruption.]* The

hon. Member for Hendon (Mr. Dismore) has reminded me of the other things that were seized. I will not recount them all, but they included clown suits. The point here is that if one grants the police a power in respect of policing protest, experience shows that that power will be abused to interfere in the right to protest. I therefore cannot go down the route the hon. Lady proposes at all; I am sorry to have to tell her that she will not find consensus in support of her proposals from my party, or, I hope, from the Labour party.

I shall now turn to the other 18 amendments in this group that were tabled by me and my hon. Friend the Member for Somerton and Frome (Mr. Heath). *[Interruption.]* I apologise to the hon. Member for Hendon for forgetting about his amendments—which are very moderate, I might add. The purpose of our amendments is to go in the opposite direction from the amendments tabled by Conservative Front Benchers. Our amendments would further protect the right to protest and freedom of speech.

Amendments 8 and 9 would simply remove from the Bill the whole replacement regime for the Serious Organised Crime and Police Act 2005 regime. There is no obvious need for extra powers against demonstrations in the vicinity of Parliament. However, I accept that we had a vote on that in Committee—there was no debate, but there was a vote—so instead of trying to explain why I think there is no need for this replacement legislation, I want to make a case for amendment 10, which offers a compromise between our view and the Government's.

The Government propose a system of prior restraint under which the authorities can take pre-emptive action, where they think there might be interference with access to this House. We think that it would be perfectly adequate to have no prior restraint, but instead to have powers that allow the police to ensure that access to the House is preserved—we do not think that that is absolutely necessary, but we are assuming for the purposes of this amendment that we are wrong about that. Amendment 10 removes the pre-emptive powers and replaces them with provisions for what could happen, if it turns out that access to this House is being interfered with by protest. A senior police officer would be able, but only in circumstances where the Speaker decides that reasonable access to the Palace is being prevented, to give directions to anyone organising or taking part in the demonstration to do whatever is necessary to restore order.

Mr. Andrew Dismore (Hendon) (Lab): I recall that when we discussed policing and protest in Westminster Hall on the basis of my Committee's report, the hon. Gentleman endorsed the consensus view that there should be no surprises in respect of policing and protest. Is not what he is proposing here likely to lead to that very problem of surprise action by the police? It does not encourage what he and I would like to see—negotiations between police and protestors to deal with any problems.

David Howarth: I do not agree with that, because the existence of the power would be known to both sides. The point about there being no surprises is not to do with the law; it is to do with contact, negotiation and talks between protestors and police, so that both sides know where the other stands. A power of that sort would not interfere with that process. In fact, it might encourage more contact, because it would not be a pre-emptive power that protestors might think would be used against them any way. It is my view that we can move forward in this area with a proportionate power to deal with any real problems that might arise, not a power that can be used pre-emptively without any real problem having yet occurred.

7.45 pm

Dr. McCrea: Why would a senior police officer be needed to protect the right of access to this House?

David Howarth: Actually, under amendment 10 it is the Speaker who decides that reasonable access has been prevented, which is a rather more traditional way of doing things, and then the Speaker gives the authorisation through a senior police officer. The senior police officer simply gets to say precisely what it is the demonstrators have to do in order to restore access. I think that ought to be a senior police officer, because this is an important interference with an important right and, as we have learned from many examples of policing protest, giving that kind of discretion to junior police officers is simply asking for trouble.

I do not want to go through the 17 other amendments, but I want to ask the Government about a particular problem that is raised in our amendments 19, 20, 30 and 31. The problem has arisen because the Government amended their own Bill in Committee without any debate. They extended by a very great extent the area around Parliament that is covered by the replacement regime. Westminster bridge is now covered, as is a large section of Whitehall. Victoria Tower gardens is covered, too, in a way that it was not covered before. I am not sure why it was thought necessary to increase the area by so much.

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): That was undertaken after discussion with the House authorities, to ensure that we have appropriate access to the House in the event of a demonstration.

David Howarth: That is an interesting reply. Westminster bridge is included, as I have said. Is the idea to be able to clear that bridge in a way that was not done in the Tamil demonstration? I wonder whether the Minister's definition of access includes a very broad notion of what one needs in order to get access to the House. I have to say that during the Tamil demonstration, I did not have any difficulty getting into the House, because I came by tube, and the tube station was never blocked.

Mr. Heath: My hon. Friend may not recall this, as I do not think that he was a Member of the House at the time, but during the debates on the Serious Organised Crime and Police Act 2005, the Government's original contention involved a radius of 1 mile around the Houses of Parliament, which was excessive. That was another point on which the Conservatives and the Liberal Democrats were at one in criticising the Government, although it seems that a different view now prevails among the Conservatives.

David Howarth: Yes, it will be interesting to see whether they still hold that view. The problem for me is whether the purpose is really to maintain access to the House itself, or instead to stop demonstrations that simply annoy people to some extent.

[David Howarth]

Let me explain one final query, which is raised by our amendment 21. Schedule 9 includes provision for the Bill's regulations to be extended beyond Parliament itself to any building that Parliament is using—I suppose an example would be a building in which a Regional Committee is meeting off site. The regulation of demonstrations that the schedule creates would exist for a week around such a building. Why opt for a week? Why not just opt for the day on which Parliament is proposing to use the building?

This approach raises a more general issue about proportionality, which is addressed in the amendments tabled by the hon. Member for Hendon, because this is another example of a power being sought that is disproportionate to the problem at hand. Why is it necessary to control demonstrations for a week when Parliament or a parliamentary Committee is meeting in a building for only one day? This debate is about the untidiness of democracy. I know that it offends some people and that some people find it difficult to cope with, but that is democracy—democracy means an untidy populace who will have their say. I do not think that we should do any more to get in their way.

Mr. Dismore: I wish to discuss amendments 24, 25 and 26, which stand in my name on behalf of the Joint Committee on Human Rights, and I draw the attention of hon. Members to our report that has been tagged for this debate. Not only were the amendments part of our scrutiny report on this Bill, but they give effect in large part to what we had to say in our report on policing and protest.

First, I shall deal with the good news from the Minister's point of view. My Committee very much welcomes the Government's decision to legislate to repeal sections 132 to 138 of the Serious Organised Crime and Police Act 2005 and, in particular, their decision to amend the Public Order Act 1986 to deal with protest around Parliament. Such an approach is consistent with much of the evidence we received during our policing and protest inquiry and gives effect to the recommendations that we made in our reports on this issue. As we have stated, sections 132 to 138 have proved too heavy-handed in practice, are difficult to police and lack widespread acceptance by the public. I shall not go into the detail now, because we have dealt with the matter at great length in our Westminster Hall debate on the report on policing and protest. I know that he was not able to be there because of his duties upstairs, but I am sure that he has followed the debate.

My Committee also welcomes the decision to reduce the area around Parliament in which special requirements will apply, but I, too, have concerns about the extension from 250 metres to 300 metres. What has been proposed is a more proportionate response, which is less intrusive on individual rights to freedom of association and expression than the existing arrangements. However, the overall thrust of my amendments seeks to deal with the fact that some of the proposed replacement provisions give us cause for concern as they are widely drafted and could result in legal uncertainty. One of the main thrusts of all the Committee's work on this issue over the past 18 months or so has been the importance of creating legal certainty for protestors, protestees and the police in order to create that "no surprises" environment so that everybody knows where they stand.

The new section 14ZA (2) proposed in schedule 9 empowers a police officer to impose conditions if

"in the officer's reasonable opinion"

they are "necessary". That is a very broad power. We understand that the intention is to issue a circular to the Metropolitan police and others containing guidance. According to a previous ministerial reply, it will state that

"it is important that the police, Parliamentarians and those wishing to demonstrate around Parliament are clear about what maintaining access to and from the Palace of Westminster means".

It was explained that the guidance will contain the considerations that the police will need to take into account before giving directions that are reasonably believed to be necessary. We know from the other work we have been doing recently that the Association of Chief Police Officers manual is being revised, so perhaps when the Minister replies he will be able to say what progress has been made on that revision, because it is urgently needed.

The Committee agrees with the Minister that it is vital that the police, parliamentarians and protestors are clear about the level of access that is envisaged, but our concern is that the "reasonable opinion" of an officer is a subjective test. That raises the risk of uncertainty as to what an individual officer will or will not deem to be "reasonable" in the circumstances, and that is a recipe for problems. It can lead to confusion for protestors, police officers and those seeking access. Again, this goes back to the point about trying to eliminate the risk of surprises, either from the demonstrators or the police, as that is what inevitably leads to some of the problems that we have seen. Our approach very much chimes with the recommendations made by the chief inspector of constabulary in "Adapting to Protest—Nurturing the British model of Policing" following the G20 meeting.

The Committee welcomes the Minister's commitment to publishing guidance, but it is important that the guidance makes clear the kind of conditions that are reasonable for an officer to impose. We desperately need there to be up-to-date and accurate guidance on policing protest in a wide variety of circumstances for police throughout the country and we urge ACPO and the Home Office to ensure that the various manuals are rapidly updated to take account of the proposed new powers in the Bill.

The second general point I wish to make concerns the order-making powers of the Secretary of State. He would be given a power to specify requirements that must be met to maintain access. One of the Committee's concerns is that proposed new section 14ZA(7) represents a non-exhaustive list. We believe that it would be far better to have a restricted list in the Bill to ensure legal certainty. Thus, my amendment 26 would remove the word "include" before

"conditions as to the route of the procession"

to say that those conditions should be "limited to" that route

"or prohibiting it from entering any public place specified".

That would create the legal certainty that we think is missing from the order-making power as it stands. As I have mentioned, we are concerned about the general power being given in this Bill to the senior police officer.

The other particular point that I wish to make concerns the distinction drawn in the Bill between public procession and public assembly. On public processions, the Bill

contains a non-exhaustive list of conditions that can be imposed, for example on the route of the procession or which prohibit it from entering a public place. On public assemblies, however, the list of conditions that can be imposed is exhaustive—they relate to the place, the maximum duration and the number of persons that can attend. The human rights section of the explanatory notes states that

"conditions may only pertain to the place of the demonstration, its maximum duration and the maximum number of persons"

and so on, but that relates to only half the story. It relates only to public assemblies—static demonstrations—not to public protests, where no limit on the conditions that can be imposed is set out in the Bill. That is one of our main concerns and my amendment 26 aims to address it.

We agree with the Government's view that it is desirable for legal certainty and clarity for the same or similar provisions to apply throughout the country to protest and that as few distinctions as possible should be made, but in view of the particular significance of Parliament as a venue for protest and the historic problems that have arisen in policing protest in the area, we think it is far more appropriate for a much more precise list of conditions to be set out on processions around Parliament. That is why my amendment aims to provide for such an exhaustive list as part of the Bill. An alternative approach, which I hope the Minister will examine, is to provide legal certainty through relevant guidance, giving a comprehensive list of the sorts of conditions that could be imposed on processions under this proposed new section.

Dr. Julian Lewis: I thank the Government for making it possible by their arrangement of the business tonight for us at least to discuss amendment 3. Had we had an opportunity to discuss it in Committee, I am sure that it would have been accepted, because I understood at the time that the Secretary of State for Justice proposed to give the House a free vote. I have no doubt that if there had been a free vote, the amendment would have been overwhelmingly carried.

It is not a restriction of my freedom of speech in this place if, once I have had my say, expressed my opinion and communicated my views to other hon. Members, I proceeded to start ranting, shouting and continuing to demand to be heard even though I had had ample opportunity to convey my message—if I continued to insist on shouting my message in support of my views time and again, irrespective of the rights of others, defying any reasonable request to desist—I were then eventually forcibly removed from the Chamber. That would mean not that I had not had my freedom of speech, but that I had abused my right of freedom of speech and trampled on the rights of others.

8 pm

That is what has been happening with the protest noise in Parliament square. Hon. Members and, above all, their staff are sick to death of it. The previous Speaker, on a number of occasions, expressed his concern about the nuisance of constant amplified noise. I first became aware of the problem when I had my office in No. 1 Parliament street a few years ago. It became impossible to concentrate on work because of persistent ranting through a highly amplified loudspeaker. When I investigated what was happening, I was astonished to find that there was no rally or assembly of protestors in Parliament square at all. On average, there were between half a dozen and a dozen people standing around and the person with the loudhailer certainly did not need to use it in order to exercise his right to communicate with anyone in attendance who wished to hear his message.

I crossed the road to ask the principal demonstrator why he was broadcasting at such a loud volume when so few people were present. He frankly explained that only by doing so would he be able to ensure that his message penetrated into Parliament above the noise of the traffic in the square. That clearly had nothing to do with the right freely to express his views or to communicate them to a voluntary assembly of people who wished to hear them. By contrast, it had everything to do with forcing his views on people who simply wished to go about their daily business undisturbed.

As has been pointed out already in the debate—and as I can vouch from experience—the ranting messages broadcast at such volume are loud enough to be a continual source of disturbance to people trying to work in their offices in No. 1 Parliament street, in particular, but also in various other offices and meeting rooms on the parliamentary estate. We must not forget those people who live and work in the vicinity of Parliament square and who wish to use the facility of Parliament square for their own enjoyment—they should not be disturbed unduly.

For the most part, it is not possible to distinguish what the shouting is about. The political message is not reaching its target—all it is doing is causing massive annoyance and significant distress to people who are trying to work. As was said by my hon. Friend the Member for Epping Forest (Mrs. Laing), who speaks from the Front Bench, I did a survey of people's experiences of this persistent noise and 52 of them joined together and submitted a complaint to the council. I attached those complaints to my submission to the consultation exercise that was held.

I should like to refer to the experiences of a number of hon. Members from all parties, including the Liberal Democrat party. The hon. Member for Lewes (Norman Baker)—I have to confess, Mr. Deputy Speaker, that I did not warn him because I did not know that I would be referring to him in the Chamber today, but he gave me permission at the time to quote him in the submission that I publicly gave to the consultation exercise, so I am sure that he will not object to my quoting him now—wrote to me:

"We're at one. You're free to quote me objecting to the use of amplified material, provided I am also quoted as not wanting to restrict the right to protest outside parliament. (Indeed I think that the present exclusion zone should be lifted.)"

That is an example of someone who was rightly distinguishing between whether the protest should be allowed to take place and whether the people taking part in the protest should be allowed continually to use amplified noise for hours on end simply to batter the eardrums of other people who had nothing to do with the protest in the square.

An hon. Member from the Labour Benches, who is well-respected on constitutional matters, said:

"There was, and always should be, the right to lobby your MP. As a student, I would leave my placards etc on Westminster Bridge and join an orderly queue to see my MP. This whole episode shows the weakness of Parliament unable to control its surroundings let alone hold government to account."

I have given examples from one Liberal Democrat Member and one Labour Member, and a Conservative colleague of mine—a shadow Minister—said:

"I complained to the Serjeant and was told that there was nothing he could do. My office in 1 Parliament Street does not overlook Parliament Square and yet we are still tormented by the volume of the loudspeakers."

The parliamentary assistant to a right hon. Labour Member said that

"it drives me round the bend especially when I am trying to concentrate. We have to put up with enough noise from the constant flow of traffic without having to put up with them shouting through the loudhailer."

Another hon. Labour Member said:

"I fully support your contention that the protestors in Parliament Square do in fact disturb those working within the Palace of Westminster. My own office overlooks Speaker's Court and the noise can clearly be heard—even with the windows closed. Which means of course in hot weather it is impossible to open the windows without further amplifying the disturbance. I pity the poor security staff who have to work directly opposite and suffer the barrage of abuse for long periods of time."

I have only given half a dozen or so examples and there were 52 of them, which were submitted to the consultation. I believe that the consultation response showed that there was real concern about the noise, quite apart from the question of what people thought about the demonstration's being allowed to remain on a virtually permanent basis in the square. So, I went back to the permission that had been sought by the main protestor in Parliament square from Westminster council. I found the minutes of the meeting, which were helpfully on the internet. The meeting was held by licensing sub-committee No. 5 on 30 June 2006. The solicitor for the main protestor was a certain Mr. Grosz and the protestor, as we all know, is Mr. Haw. The minutes state:

"Mr Grosz stated that the area in question was already noisy with traffic, bells and commentary from tour buses. Mr Haw's site was a long way from the Chambers of Parliament. There was, Mr Grosz said, no evidence of noise from Mr Haw's loudspeaker reaching those working inside the Palace of Westminster, and that Mr Haw had no intention that loudspeaker noise penetrate its buildings."

It quoted Mr. Haw as saying that

"he wanted to work positively with officers from the City Council to avoid creating nuisance."

The sub-committee, it its naivety, accepted Mr. Haw's statement that he had no wish to cause a nuisance or a problem to people working in Parliament. That is, of course, exactly the opposite of what Mr. Haw told me when I went to ask him why he was broadcasting at such volume when only a tiny handful of people were present.

The problem of noise harassment is real and serious. There is not an absolute unfettered right to shout one's opinions in the face of everybody else for hours on end, long after any reasonable person would conclude that the first person had had their say. This is not freedom of speech—it is bullying. It is harassment. Indeed, in any other environment it would not be tolerated for a moment.

The Liberal Democrat spokesman, the hon. Member for Cambridge (David Howarth), said, "Well, it's all right. It's remediable—you can take them to court." The problem is that it is not remediable. Under the existing law, nobody can be dealt with who is determined to go on making incessant noise at unreasonable volume. All that could happen is that they would eventually end up in a courtroom and there would eventually be some sort of conviction either for causing a nuisance or for breaking a byelaw, and then someone with a political axe to grind would pay the fine for them. At the end of the day, however, there would be absolutely nothing that anyone could do to stop them making the noise in the run-up to the court case or continuing to make it after the court case. This is not about freedom of speech; it is about intolerance. Those people are intolerant bullies who have not managed to have their own way and are therefore determined to shout, scream, rant, hector and harass other people.

There is only one way in which to deal with this matter: by applying a degree of common sense. I speak from experience because I am probably the only Conservative Member of the House actually to have been arrested for participating in a demonstration. As I have explained to the House on previous occasions, that was back in the 1980s when there was a demonstration against the Falklands war, and I was involved in a counter-demonstration. The police decided to remove us from the scene because we were the smaller demonstration of the two, but we worked with the police thereafter and were able to have our protest because we regulated the amount of noise that we made. At that time, before any of these other laws, restrictions and rights came in, we were told that if we raised the noise level excessively, our equipment would be confiscated at least until the demonstration was over.

Freedom of speech requires tolerance on all sides. The people who are ranting, raving and shouting—often in extremely crude, rude and insulting terms—in a public place cannot be dealt with by any means that does not require the removal of the equipment if, on receipt of a complaint about the noise, they refuse to tone it down and keep it to reasonable levels. This issue is being dressed up as being about freedom of speech, but it is actually about the bullying and intimidation of people going about their lawful business. I am very sorry that the Government, in the form of the Home Secretary, will not allow Labour Members to vote according to their consciences, because I know that large numbers—probably a majority—of those Members would like the amendments to go through. However, now that the Government Chief Whip has entered the Chamber, I shall simply repeat what I said at the beginning of my remarks. I am grateful to the Government for having at least provided an opportunity for this issue to be aired and discussed.

Mr. Hanson: We have had, as usual, a very lively—and in part noisy—debate about these issues. I shall explain to the House why I hope that the amendments will not be pressed to a Division.

The hon. Members for Epping Forest (Mrs. Laing) and for New Forest, East (Dr. Lewis) have made their case about the noise, which is, on occasion, disturbing to individual Members and members of staff. When I was the Parliamentary Private Secretary to the former Prime Minister between 2001 and 2005, I was frequently in an office facing Parliament square and on the receiving end of amplified noise about the performance of the Prime Minister and the Government throughout some very difficult debates on Iraq, student fees and a range of other issues. The purpose of the amendments is to

remove such amplified noise from Parliament square, but I do not believe that they would represent a practical or workable solution.

My first point to both the hon. Lady and the hon. Gentleman, and in support of the hon. Member for Cambridge (David Howarth), has to be about what makes Parliament so different from any other place of operation in London and from somewhere in any other city in the UK. We have a responsibility to undertake work and our other activities in a positive way, but unless that protest noise is so disruptive that it prevents us from exercising our functions on the Floor of the House, the suggested action would be excessive and we could not support it.

8.15 pm

Dr. Lewis: The noise certainly prevents us from exercising our functions in the W Rooms and the Committee Rooms, and it certainly disturbs people who are trying to conduct constituency work from their offices but are not able to concentrate because of intrusive and excessive noise. If we had more time, I could quote the Minister chapter and verse about that.

Mr. Hanson: As has been outlined, there are measures in place regarding noise pollution and public order legislation, to which the hon. Member for Cambridge referred, and there are also provisions in place to deal with harassment, in addition to, when relevant, byelaws regarding this place.

Dr. Lewis: I promise that I shall not keep intervening, but will the Minister explain how any of those measures would stop the noise rather than simply leading to a fine that would be paid by someone else while the noise continued unabated?

Mr. Hanson: I will go through the measures that are available to ensure that such actions can be dealt with if they are excessive. However, let me first return to the original point of contention. What makes Parliament different from any other establishment that can be and is subject to protest? I can be sympathetic about the situation, because I know that the noise can be difficult to deal with, but let me recognise, as we did in the policing White Paper, and as the hon. Member for Cambridge and my hon. Friend the Member for Hendon (Mr. Dismore) have done, that the creation of noise and disruption is, and should be, part of our democratic process and a healthy element of a democratic society.

Mr. Dismore: Although we all agree about the problem of loudspeaker noise, one of my concerns is that when we have tried to legislate regarding protest in Parliament square in the past, we have made mistakes and all sorts of things have ended up going wrong. Would there be any fallout for other forms of broadcast noise in Parliament square if these amendments were made? Would anything else be unintentionally banned as a consequence?

Mr. Hanson: My hon. Friend touches on an important point that I shall come to in a moment.

Let me tell the hon. Members for Epping Forest and for New Forest, East, who spoke in support of the amendments, that if noise from loudspeakers is threatening or intimidating, the behaviour can be, and has been, captured by section 5 of the Public Order Act 1986. If noise from loudspeakers amounts to harassment, the civil and criminal remedies that other organisations have successfully brought are available to Parliament. If noise from loudspeakers amounts to

"serious disruption to the life of the community",

the police have powers under section 14 of the 1986 Act to impose conditions on assemblies. Clearly, the police could show that there was serious disruption if those who were being disrupted complained to the police. As has been made clear by the courts, by us in our policing White Paper, and by Her Majesty's inspectorate of constabulary in its report "Adapting to Protest", if noise from loudspeakers amounts to nuisance or inconvenience, that alone does not provide sufficient grounds to restrict peaceful protest.

The hon. Member for New Forest, East might be aware of the Greater London authority's Trafalgar Square and Parliament Square Garden Byelaws 2002, which make it an offence for a person to use amplification equipment on Parliament square garden without the prior permission of the Mayor of London, whom I recall is one Mr. Boris Johnson of this parish, who is supported by the Conservative party. Westminster city council, which I recall is run by a party other than the Labour party, has also made specific byelaws under section 235 of the Local Government Act 1972 regarding causing or permitting any loud or continuous noise to be made by use of an amplifier or similar instrument after being warned to desist by a constable. The practical effect of amendment 3 would, as the hon. Member for Cambridge indicated, be to silence not only protestors, but anyone else in an area around Parliament. It would, as my hon. Friend the Member for Hendon indicated, prevent the use of amplifying equipment in every way, shape or form. It would include stewards who use amplifying equipment to control crowds and people who use such equipment to speak at demonstrations. It would cover people such as the Gurkhas and groups such as the Countryside Alliance. Indeed, I sometimes oppose the content of parts of that body's demonstrations, but I respect its right to demonstrate.

Dr. Lewis: The amendment is not about banning noise but about giving a power to remove amplifying equipment if, on receipt of complaints, it is judged that people are being unduly harassed. The Minister is talking about demonstrations that would have been arranged and regulated, and so would be perfectly allowable. The amendment would not impinge on them in any way whatsoever.

Mr. Hanson: In February 2008, Barbara Tucker—she is well known to us because of the protests that she holds outside the House with Brian Haw—used a loudspeaker to express threatening language to the hon. Member for Rutland and Melton (Alan Duncan) as he left the Commons. In August of that year, she was found guilty of committing an offence under section 5 of the Public Order Act 1986, which makes it an offence to use

"threatening, abusive or insulting words".

She was fined £100 and court costs. What is the difference between that and what the hon. Gentleman proposes?

Dr. Lewis: The Minister has just illustrated the point that I have been arguing throughout the debate. She was fined, but she is still out there and making noise. We are not interested in whether she is fined or not, but in whether we can go about our lawful occasions and carry out our normal duties without harassment and disturbance by noise. That conviction has not remedied the problem one whit, as the Minister knows perfectly well.

Mr. Hanson: I am afraid that I disagree. People have a right to protest, but laws on harassment and environmental health, as well as certain byelaws, contain powers to stop noise. The legislation also allows complaints to be made and forwarded accordingly.

Although the hon. Member for Epping Forest might not realise this, I must advise the House that accepting the amendment would mean, for example, that Westminster abbey would not be able to rings its bells. In addition, ceremonies at which bands use amplifying equipment, such as the wreath-laying ceremony at the Cenotaph, would not be allowed.

Mrs. Laing *indicated dissent.*

Mr. Hanson: The hon. Lady might disagree with the tenor of my remarks, but the implication of her amendment would be as I set out. If Members want to support her amendment, they can do so, but that would be its impact.

David Howarth: Another power is available to the Attorney-General and any local authority in that an injunction can be obtained against a person who persistently breaches the criminal law. There are a great many methods available, but it seems that the hon. Member for New Forest, East (Dr. Lewis) has simply not worked out what they are.

Mr. Hanson: The amendment is defective, and would have consequences that the hon. Members for Epping Forest and for New Forest, East have not recognised. It would cause great difficulty not just for those who protest in Parliament square, but for those who need to use amplifying equipment for legitimate reasons.

Mrs. Laing: Nobody wants to stop Westminster abbey ringing its bells or any of the other things that the Minister has just set out. However, does he agree that giving this Bill proper time for scrutiny would have led to the arguments that he is making today being put forward in Committee? If that had happened, and if it is true that my amendment would stop the Westminster abbey bells ringing, we could have agreed to table another amendment to make sure that that did not happen. However, we would then have defended freedom of speech for the little people out there who want to come and protest in Parliament square but who cannot because of the bully who is already there.

Mr. Hanson: I remind the hon. Lady that I waited for six and a half hours to speak to the amendments that were tabled on the relevant day of the Committee stage. I was not able to speak to them in the end because Conservative Members were filibustering on matters to do with a European referendum. I therefore do not want take lessons from her about debate, discussion and protests, given that the hon. Member for Stone (Mr. Cash) spent a lot of time filibustering to make sure that we stayed on the question of a European referendum and did not reach any other matters.

I return now to the main issues. The amendment is defective, and my right hon. Friend the Home Secretary wishes it to be defeated. It would not achieve the aim set out by the hon. Member for Epping Forest. I support the contention made by the hon. Member for Cambridge and by my hon. Friend the Member for Hendon, which was that protests are a valuable part of a democratic society. We might not like or appreciate the noise, but people's right to make it is one that I think we must defend. I therefore urge the hon. Member for Epping Forest to withdraw her amendment and to ensure that it is not pressed to a Division.

The general purpose of the Bill is clear. In conjunction with the House authorities, we have tried to ensure that we allow proper protests in Parliament square, but we have also tried to make sure that hon. Members have free access to the House. The police are required to ensure that people can have access to Parliament, and they are able to act accordingly.

What is distinct about Parliament that might justify provisions that are different from those that apply elsewhere? That is the central question running through our review of the legislative framework. We believe that while we must allow Parliament to exercise its democratic functions, we must also ensure that people are allowed to protest, because the right to protest is a valuable part of our democratic society.

I am conscious of the time, and I want to ensure that we reach a conclusion on this matter. I hope that the hon. Member for Epping Forest will withdraw the amendment. Her amendments are defective and should be opposed. If they are pressed to a Division, I would urge the House to reject them.

Mrs. Laing: I think that we have had sufficient debate on this matter tonight. In view of the time, I will not insist on amendment 2, but I want to press amendment 3 to a Division. I beg to ask leave to withdraw amendment 2.

Amendment, by leave, withdrawn.

Schedule 9

Amendment to Part 2 of the Public Order Act 1986 etc

Amendment proposed: 10, in page 95, line 21, leave out from 'procession' to end of line 18 on page 55 and insert

'or a public assembly that is having the effect of preventing reasonable access to the Houses of Parliament.

(2) The Speaker of the House of Commons shall decide whether reasonable access to the Houses of Parliament has been prevented.

(3) If the Speaker has decided under subsection (2) that reasonable access to the Houses of Parliament has been prevented, the senior police officer may, for the purpose of restoring reasonable access to the Houses of Parliament, give directions to any person who is organising or taking part in the public procession or public assembly.

(4) The directions referred to in subsection (3) must be necessary for the purpose of restoring access to the Houses of Parliament and proportionate to that purpose.'—*(David Howarth.)*

Question put, That the amendment be made.

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Michael Lord): I ask the Sergeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 45, Noes 388.

Division No. 93] **[8.29 pm**

AYES

Barrett, John
Beith, rh Sir Alan
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burt, Lorely
Campbell, rh Sir Menzies
Cook, Frank
Corbyn, Jeremy
Farron, Tim
Foster, Mr. Don
Gidley, Sandra
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Kennedy, rh Mr. Charles
Lamb, Norman
MacNeil, Mr. Angus
Mason, John
Moore, Mr. Michael
Mulholland, Greg
Opik, Lembit
Price, Adam
Rennie, Willie
Robertson, Angus
Russell, Bob
Sanders, Mr. Adrian
Simpson, Alan
Smith, Sir Robert
Taylor, Dr. Richard
Teather, Sarah
Webb, Steve
Weir, Mr. Mike
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wishart, Pete

Tellers for the Ayes:
Richard Younger-Ross and
Mr. Alan Reid

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Allen, Mr. Graham
Anderson, Mr. David
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baldry, Tony
Banks, Gordon
Barlow, Ms Celia
Baron, Mr. John
Barrun, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bellingham, Mr. Henry
Benn, rh Hilary
Benton, Mr. Joe
Binyon, Mr. Richard
Beresford, Sir Paul
Berry, Roger
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, rh Mr. Ben
Brady, Mr. Graham
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browning, Angela
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cabborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Caton, Mr. Martin
Cawsey, Mr. Ian
Chope, Mr. Christopher
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cormack, Sir Patrick
Cousins, Jim
Cox, Mr. Geoffrey
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davies, Mr. Quentin
Davis, rh David
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Doddds, Mr. Nigel
Doran, Mr. Frank
Dorrell, rh Mr. Stephen
Drew, Mr. David
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Fletio, Mr. Robert
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Francois, Mr. Mark
Gardiner, Barry
Garnier, Mr. Edward
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gilroy, Linda
Goggill, Mr. Roger
Goodman, Helen
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harper, Mr. Mark
Harris, Mr. Tom
Hayes, Mr. John
Healey, rh John
Henderson, Mr. Doug
Hendry, Charles
Heppell, Mr. John
Hesford, Stephen
Hillier, Meg
Hodge, rh Margaret
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Mr. Gerald
Howell, John
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Jack, rh Mr. Michael
Jackson, Glenda
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Martyn
Joyce, Mr. Eric
Kawczynski, Daniel
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Lancaster, Mr. Mark
Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Lepper, David
Letwin, rh Mr. Oliver

Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Linton, Martin
Love, Mr. Andrew
Mackay, rh Mr. Andrew
Mactaggart, Fiona
Main, Anne
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Moss, Mr. Malcolm
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, rh Mr. Mike
O'Brien, Mr. Stephen
Olner, Mr. Bill
Paice, Mr. James
Paisley, rh Rev. Ian
Palmer, Dr. Nick
Paterson, Mr. Owen
Pearson, Ian
Penning, Mike
Pickles, Mr. Eric
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prisk, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Randall, Mr. John
Raynsford, rh Mr. Nick
Redwood, rh Mr. John
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, rh Jacqui
Sneigrove, Anne
Soames, Mr. Nicholas
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tami, Mark
Tapsell, Sir Peter
Thomas, Mr. Gareth
Thornberry, Emily
Timpson, Mr. Edward
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walley, Joan
Waltho, Lynda
Ward, Claire
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, rh Malcolm
Wiggin, Bill
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Mr. Rob
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mary Creagh and
Mrs. Sharon Hodgson

Question accordingly negatived.

Amendment proposed: 3, page 97, leave out lines 36 to 40 and insert—

'Serious Organised Crime and Police Act 2005 (c. 15)

2 (9) In section 137, the following amendments are made in relation to the use of amplified noise equipment and other devices designed to produce noise in the area around Parliament.

(10) For "loudspeaker" wherever it occurs substitute "amplified noise equipment or other device designed to produce noise".

(11) In subsection (1) leave out "in a street in the designated area" and insert "in the area around Parliament, as specified by order under section 14ZB of the Public Order Act 1986".

(12) In subsection (2), leave out paragraph (i).

(13) After subsection (3) insert—

"(3A) A police officer shall, on receipt of a complaint of excessive noise caused by amplified noise equipment or other device designed to produce noise, have the power—

(a) to require the operator to desist, and

(b) in the event of non-compliance, to seize the amplified noise equipment or other device designed to produce noise and to retain it as long as it is deemed necessary.

(3B) The powers available under subsection (3A) above may be exercised by the most senior police officer in the immediate vicinity of the source of the noise.".

(14) In subsection (6) leave out "or of" and insert "save where prohibited under".'.—[Mrs. Laing.]

Question put, That the amendment be made.

The House proceeded to a Division.

Mr. Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 135, Noes 312.

Division No. 94] **[8.44 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham

Brokenshire, James
Browning, Angela
Burrowes, Mr. David
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, David T. C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Duncan, Alan
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Fox, Dr. Liam
Francois, Mr. Mark
Garnier, Mr. Edward
Gibb, Mr. Nick
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Hendry, Charles
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howarth, Mr. Gerald
Howell, John
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Paice, Mr. James
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Penning, Mike
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Young, rh Sir George

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Sir Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Doran, Mr. Frank
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Farron, Tim
Field, rh Mr. Frank
Fitzpatrick, Jim
Fiello, Mr. Robert
Flynn, Paul
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harris, Dr. Evan
Harvey, Nick
Healey, rh John
Heath, Mr. David
Hemming, John
Heppell, Mr. John
Hesford, Stephen
Hillier, Meg
Hodge, rh Margaret
Hoey, Kate
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Hoyle, Mr. Lindsay
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen

Lamb, Norman
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Love, Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammed
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, Sir Robert
Sneigrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Dr. Richard
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Watho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Mary Creagh and
Mrs. Sharon Hodgson

Question accordingly negatived.

9.2 pm

Debate interrupted (Programme Order, this day).

The Deputy Speaker put forthwith the Questions necessary for the disposal of business to be concluded at that time (Standing Order No. 83E).

New Clause 24

REGIONAL COUNTING OFFICERS

'(1) This section has effect, in addition to section 128 (Chief Counting Officers, and counting officers, for referendums) of the Political Parties, Elections and Referendums Act 2000 (c. 41) ("the 2000 Act"), in relation to the referendum under section 29.

(2) The Chief Counting Officer for the referendum must appoint a Regional Counting Officer for each region in Great Britain.

(3) For the purposes of this section the regions are as follows—

East Midlands;

Eastern;

London;

North East;

North West;

South East;

South West;

West Midlands;

Yorkshire and the Humber;

Scotland;

Wales.

The regions in England comprise the areas specified in the Table in Schedule 1 to the European Parliamentary Elections Act 2002 (c. 24) (ignoring the reference to Gibraltar) as it has effect for the time being.

(4) Each Regional Counting Officer must, as respects the votes cast in the region for which the officer is appointed, certify—

(a) the total number of ballot papers counted, and

(b) the total number of votes cast in favour of each answer to the question asked in the referendum.

Where two or more forms of ballot paper are used in the referendum, a separate number must be certified under paragraph (a) in relation to each form of ballot paper used.

(5) The Chief Counting Officer may require a Regional Counting Officer to appoint counting officers for relevant areas (within the meaning of section 128 of the 2000 Act) in the region for which the Regional Counting Officer is appointed.

(6) To the extent that counting officers are appointed by virtue of subsection (5), the duty of the Chief Counting Officer under section 128(3) of the 2000 Act is discharged.

(7) A reference to a counting officer in sections 33 to 35 (except the reference in section 34(5)) includes a reference to a Regional Counting Officer.'.

New Clause 25

CONDUCT ETC OF REFERENDUM

'(1) The Secretary of State may by order make whatever provision he or she considers expedient—

(a) for and in connection with the referendum under section 29;

(b) for and in connection with the combination of the poll at the referendum with the poll at an election or at another referendum (or both).

(2) An order under this section may, in particular, apply or incorporate, with or without modification, any enactment or subordinate legislation (whenever passed or made) relating to referendums or elections.

In this subsection "subordinate legislation" has the same meaning as in the Interpretation Act 1978 (c. 30).

(3) An order under this section—

(a) may include provision creating criminal offences;

(b) may make supplementary, incidental, consequential, transitory, transitional or saving provision;

(c) may make different provision for different purposes (including different areas).

(4) The power to make an order under this section is exercisable by statutory instrument.

(5) The Secretary of State must consult the Electoral Commission before making an order under this section.

(6) An order under this section may not be made unless a draft of the statutory instrument containing the order has been laid before, and approved by a resolution of, each House of Parliament.'.

New Clause 26

ELECTORAL COMMISSION ACCOUNTS IN RELATION TO SPECIFIED MATTERS

'(1) Schedule 1 to the Political Parties, Elections and Referendums Act 2000 (c. 41) (the Electoral Commission) is amended as follows.

(2) For sub-paragraph (2) of paragraph 17 substitute—

"(2) The Commission—

(a) shall prepare accounts for each financial year, and

(b) if directed to do so by the Treasury, shall prepare accounts in relation to any matter specified in the direction."

(3) In sub-paragraph (3) of paragraph 17, for the words from the beginning to "sub-paragraph (2)" substitute "Accounts under sub-paragraph (2) shall be prepared in accordance with directions given to the Commission by the Treasury.

Directions under this sub-paragraph may".

(4) In sub-paragraph (1) of paragraph 18—

(a) for "for any financial year" substitute "under paragraph 17";

(b) for the words from "after" to the end substitute "as may be practicable after the end of the financial year to which the accounts relate or, in the case of accounts prepared in pursuance of a direction under paragraph 17(2)(b), the giving of the direction."'.

New Clause 37

PARLIAMENTARY ELECTIONS: COUNTING OF VOTES

'(1) Schedule 1 to the Representation of the People Act 1983 (c. 2) (parliamentary elections rules) is amended as follows.

(2) In rule 44 (attendance at counting of votes) after paragraph (5) insert—

"(6) In making arrangements under this rule, the returning officer shall have regard to the duty imposed on him by rule 45(3A) below."

(3) In rule 45 (the count)—

(a) after paragraph (3) insert—

"(3A) The returning officer shall take reasonable steps to begin counting the votes given on the ballot papers as soon as practicable within the period of four hours starting with the close of the poll.";

(b) after paragraph (7) insert—

"(8) The Electoral Commission shall issue guidance to returning officers on the duty imposed by paragraph (3A) above."

(4) After rule 53 insert—

"Counting of votes: statement by returning officer

53ZA (1) In a contested election, if the counting of the votes given on the ballot papers did not begin within the period specified in rule 45(3A) above, the returning officer shall before the expiry of the period of 30 days starting with the day on which the poll closed—

(a) prepare and publish a statement giving the information specified in paragraph (2) below, and

(b) deliver it to the Electoral Commission.

(2) The statement must—

(a) specify the time at which the counting of the votes given on the ballot papers began,

(b) describe the steps taken under rule 45(3A) above, and

(c) explain why the counting of the votes given on the ballot papers did not start within the period specified in rule 45(3A) above.

(3) Where a statement is delivered to the Electoral Commission under paragraph (1)(b) above, the Commission shall specify in any election report they produce that a statement has been delivered to them under that paragraph in respect of the constituency to which the statement relates.

(4) In paragraph (3) above "election report" means a report under section 5(1) or (2A) of the Political Parties, Elections and Referendums Act 2000 in relation to the parliamentary election in question."'.—*(Mr. Wills.)*

Brought up, and added to the Bill.

Clause 8

SPECIAL ADVISERS CODE

Amendment made: 35, page 5, line 22, at end insert—

'(4A) Subject to subsection (4B), a special advisers code must provide that a special adviser may not—

(a) authorise the expenditure of public funds;

(b) exercise any power in relation to the management of any part of the civil service of the State;

(c) otherwise exercise any power conferred by or under this or any other Act or any power under Her Majesty's prerogative.

(4B) A special advisers code may permit a special adviser to exercise any power within subsection (4A)(b) in relation to another special adviser.

(4C) In subsection (4A)(c) "Act" includes—

(a) an Act of the Scottish Parliament;

(b) an Act or Measure of the National Assembly for Wales;

(c) Northern Ireland legislation.'.—*(Mr. Wills.)*

Clause 22

POWER TO IMPOSE NEW NATIONALITY REQUIREMENTS

Amendments made: 36, page 12, line 35, leave out subsection (12) and insert—

'( ) Section 75(5) of the Race Relations Act 1976 (c. 74) and Article 71(5) of the Race Relations (Northern Ireland) Order 1997 (S.I. 1997/869 (N.I. 6)) apply in relation to rules under subsection (7) above as they apply in relation to rules under subsection (1) above (so far as they would not otherwise apply).

( ) In section 75(5)(b) of that Act and Article 71(5)(b) of that Order any reference to the implementation of rules includes (in particular) a reference to granting (or refusing to grant) exemptions under subsection (10)(b) above.'.

Amendment 37, page 13, line 1, leave out 'limits any power' and insert 'affects—

(a) section 82 of the Police Reform Act 2002 (c. 30),

(b) section 41(3A) of the Police (Northern Ireland) Act 2000 (c. 32), or

(c) any power'.—*(Mr. Wills.)*

Clause 27

SECTION 24 NOT TO APPLY TO CERTAIN DESCRIPTIONS OF TREATIES

Amendment made: 38, page 14, line 36, leave out 'section 788 of the Income and Corporation Taxes Act 1988 (c. 1)' and insert

'section 2 of the Taxation (International and Other Provisions) Act 2010 (c.)'.—*(Mr. Wills.)*

Clause 30

ENTITLEMENT TO VOTE

Amendment made: 39, page 16, line 32, at end insert—

'( ) Subsection (1) has effect subject to any provision that may be made in an order under section [Conduct etc of referendum], for disregarding alterations made in a register of electors after a specified date.'.—*(Mr. Wills.)*

Clause 64

SALARY PROTECTION FOR MEMBERS OF TRIBUNALS

Amendment made: 40, page 35, line 41, leave out paragraph (b).—*(Mr. Wills.)*

Clause 80

POWERS OF NATIONAL ASSEMBLY FOR WALES: AUDITOR GENERAL FOR WALES

Amendments made: 41, page 43, line 11, leave out from '14.1' to end of line 12.

Amendment 42, page 43, line 37, at end insert—

'(4) In section 94(6)(a) of, and paragraph 6Z of Schedule 5 to, the Government of Wales Act 2006 (c. 32) for "paragraphs 1 to 6" substitute "paragraphs 1 to 6A".'.—*(Mr. Wills.)*

Clause 86

Amendment made: 57, page 48, line 37, leave out clause 86.—*(Mr. Wills.)*

Clause 90

EXTENT, COMMENCEMENT, TRANSITIONAL PROVISION AND SHORT TITLE

Amendment made: 43, page 50, line 11, leave out paragraph (d) and insert—

'( ) the provisions of this Part other than section [Electoral Commission accounts in relation to specified matters]'.—*(Mr. Wills.)*

Schedule 2

CONSEQUENTIAL AMENDMENTS AND TRANSITIONAL PROVISION RELATING TO PART 1

Amendments made: 44, page 58, line 37, leave out sub-paragraph (4) and insert—

'(4) For subsection (4) substitute—

"(4) See also section 1 of the Civil Service (Management Functions) Act 1992 under which functions conferred on the Minister for the Civil Service by section 3 of the Constitutional Reform and Governance Act 2010 may be delegated to the Scottish Ministers etc."

(5) Omit subsection (9).'.

Amendment 45, page 60, line 11, leave out sub-paragraph (4) and insert—

'(4) For subsection (4) substitute—

"(4) See also section 1 of the Civil Service (Management Functions) Act 1992 under which functions conferred on the Minister for the Civil Service by section 3 of the Constitutional Reform and Governance Act 2010 may be delegated to the Welsh Ministers etc."

(5) Omit subsection (10).'.—*(Mr. Wills.)*

Title

Amendments made: 46, line 6, after 'generally' insert

'; to make provision about the accounts to be prepared by the Electoral Commission'.

Amendment 89, line 6, after 'generally' insert

'; to make provision relating to the counting of votes' in parliamentary elections'.

Amendment 47, line 22, at end insert

'; to amend the Public Records Act 1958 and the Freedom of Information Act 2000'.—*(Mr. Wills.)*

Third Reading

9.3 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): Finally, we have reached the end of the Commons stages of the Bill. Since the beginning of its gestation more than two years ago, Parliament and politics have faced new challenges, and the Bill has grown to meet them. Its basic components have remained the same, but, as with a fine wine, it has absorbed elements from its environment to mature into its final expression in the House tonight.

The Bill represents significant constitutional reform. There have been six days in Committee on the Floor of the House, 18 consultations and publications, draft Bills, and several Select Committee reports. Many hon. Members have contributed diligently and tirelessly to improving it as it went on its journey, and I should like to take this opportunity to thank them all.

As far as possible, we have tried to proceed on the basis of consensus. The Public Administration Committee, for example, found

"much to welcome in the Government's proposals for the civil service"

when it considered the draft Constitutional Renewal Bill. This part of the Bill delivers the Northcote-Trevelyan recommendations of more than 150 years ago. The Joint Committee on the Draft Constitutional Renewal Bill agreed with the Government that

"putting the Ponsonby Rule on a statutory footing, together with giving the House of Commons an effective veto on the ratification of a treaty, is a positive and beneficial reform".

We welcomed constructive comments from both sides of the House as the Bill proceeded. The Government have considered and adopted amendments from my hon. Friend the Member for Hendon (Mr. Dismore) on nationality restrictions on Crown employment. We have also given our backing to an amendment tabled originally by the hon. and learned Member for Beaconsfield (Mr. Grieve) and his colleagues, including the hon. Member for Epping Forest (Mrs. Laing), to ensure that the counting of votes in parliamentary elections will begin within four hours of the close of the poll. We are very grateful for the support of both sides on this measure.

The Government tabled a further amending provision on Report, as all sides recognised that the original clause needed further amendment to make it technically effective. The new clause provides that a returning officer must take reasonable steps to begin counting the votes on the ballot papers as soon as practicable within four hours of the close of the poll. Where the count does not begin within that specified time period, which may of course be for perfectly understandable reasons, returning officers will be required to submit a report to the Electoral Commission to explain why and to describe the steps that they have taken.

The new clause, which was shared with the Opposition Front-Bench teams, strikes a balance between the strong and clearly expressed view of this House that overnight counts should be the presumption and the need to avoid at this stage the considerable technical changes to electoral legislation that would have been needed to make the original clause 86 effective. Unforeseen circumstances on the night of the count—a major weather condition in a remote constituency, for example—might well mean that no further reasonable steps could have been taken to ensure an overnight count. The approach taken in the new clause allows for that, but the intention is to ensure that returning officers actively consider what action could reasonably be undertaken to achieve an overnight count in as many constituencies as possible. That will continue at the next general election.

I want to make it clear that the new clause respects the independence of electoral returning officers, and I think that everyone in the House respects that. However, I should make it clear that if that independence is exercised at the forthcoming general election in a way that is seen with hindsight to have flouted the clearly expressed wish of this House that there should be a presumption in favour of an overnight count—with the exceptions that I have mentioned—I have no doubt whatever that the new House elected in the next two or three months will return to the issue.

Mrs. Laing: I entirely agree with everything the Minister has just said. May I make it clear that we entirely accept that new clause 37 is superior in form, albeit identical in intention, to the original clause 86? I am grateful to the Minister for coming forward with a better version of the law, but with the same intention. May I make it clear that we entirely support the Minister in saying that the will of this House and of Parliament is absolutely clear? There is no dissent. We trust that those who have the duty to put into action the will of Parliament will do so forthwith.

Mr. Wills: I am very grateful to the hon. Lady for those comments, and I pay tribute to her and her colleagues who played such a constructive role in bringing this forward at some speed. It is worth putting on record that the main reason why so many Members have taken this view is that it reflects the wishes of their constituents. We are not talking just about the will of Parliament; the will of the British people is at stake in this, too. I am grateful to all hon. Members who played a constructive role.

Also with cross-party support, we have introduced several significant amendments to the Bill. As a result of the recent consensus on the issue of parliamentarians' tax status, for example, it was possible to table amendments with the support of the Conservative Front-Bench team, which will ensure that hon. Members of both Houses of Parliament are liable to pay the same taxes as most UK taxpayers. Many hon. Members will recognise how important that is in the current climate. We have also delivered on the cross-party commitment to implement the report of the Committee on Standards in Public Life on MPs' expenses.

It is fair to say that some provisions have not been universally welcomed. New clauses to provide for a referendum, offering the public a choice between the current first-past-the-post system and the alternative vote system, have left the Conservative party isolated in their opposition. In contrast, we believe that we must do all we can to restore trust in politics, and it is clear that part of that process must involve consideration of which electoral system can best serve the people of this country. We believe that a credible alternative should be put to the people—it is not for the Government to decide this; it is for the British people themselves—one that would retain the link between MPs and constituencies, which we believe is fundamentally important. We believe that most hon. Members—whatever their view of the electoral system—consider that link to be important, and we believe that the British people themselves consider it to be a very valuable part of our political system.

In our view, the Bill as a whole gives greater clarity and transparency to Government business, both financial and non-financial. It tightens rules and regulations on membership of both Houses of Parliament in the wake of the profoundly damaging controversy over some Members' misuse of the allowances system, and it gives those rules and regulations teeth. It reasserts the right of people to protest around Parliament if they are unhappy, and it puts in their hands the decision whether to change the current electoral system if they feel that they would prefer a different and a better one. This Bill reinforces the principles of probity, transparency and accountability at the heart of public life, and I hope very much that Parliament will look favourably on it.

9.10 pm

Mr. Grieve: I am aware that the Minister of State, Ministry of Justice, the right hon. Member for North Swindon (Mr. Wills) is approaching the end of his time in Parliament. I know that the Bill is of great importance to him, and I recognise that in piloting it through the House, he wanted to achieve as much consensus as possible.

Let me say at once that the Conservatives have no difficulty in welcoming many aspects of the Bill. Indeed, we have expressed our support for those aspects from the outset. They include the move to put the civil service on a statutory footing, the proposal to beef up the

[Mr. Grieve]

Comptroller and Auditor General's national audit role and the work on judicial appointments, all of which, as the Minister will recall, we supported in earlier debates on the Bill.

We also welcome the small but nevertheless important tidying-up of matters relating to, for instance, human rights claims against devolved Administrations, ratification of treaties, Crown employment and nationality. Although I must tell the Secretary of State and the Minister that the Bill does not quite live up to its grandiloquent title—certainly the "governance" bit—we can happily welcome its sensible constitutional reforms, and we therefore will not seek to divide the House tonight.

That said, there are some aspects of the Bill that we find much more troublesome. I think it only right for me to mention them, because given the timetable facing the remaining life of this Parliament, sensible decisions will almost certainly have to be made at some point about whether the Bill can be enacted with the consensus that will be needed at the end of the Parliament's life or whether it should fail. As the Bill contains an adequate number of provisions that I want to see on the statute book, I hope that the Government will listen carefully to what I have to say about the parts of it that continue to cause us concern.

First, however, let me say something about new clause 37. I am grateful to the Government for taking account of the concern expressed by Members in all parts of the House about what appeared to be the creeping in of a substantial change in the way in which counts take place after elections. I am delighted that we were able to table the new clause, and even more delighted that the Government were able to adopt it in a way that would otherwise not have been possible. I have no doubt that one or two noises made about it by some returning officers are without merit or substance. Ultimately, it is for the House of Commons to decide how counts should take place, and not for bureaucrats to start deciding that they are a law unto themselves. We are fully entitled to lay down the ground rules for ourselves, especially if they are—as they appear to me to be—entirely reasonable.

The Government have also done a great deal in introducing clauses relating to IPSA, which my right hon. Friend the Member for North-West Hampshire (Sir George Young) has already commented on. There have been some sensible debates. We entirely endorse the need for reform, and we are pleased that the opportunity has been taken of trying to resolve the matter as far as possible before the general election. We hope very much that the proposals will work and lead to far greater public confidence in the way in which the House works.

I have to turn to those bits that please us rather less. We think that the Government's proposals for a referendum on the alternative vote were brought in in great haste and in the most extraordinary fashion at the end of a long process—the Government have previously shown themselves to be rather hostile to such proposals. We think that a referendum would be a complete waste of money and undermine the first-past-the-post system, in which we believe and in which I think many Labour Members also believe. It strikes us that that measure is unnecessary, and we certainly would not wish to see it placed on the statute book.

It has been a matter of considerable regret during the passage of the Bill that it has not been possible to debate Opposition amendments that required debate and certainly should have been debated, such as our new clause this evening about evening out the size of constituencies and reducing the size of the House. At the risk of repeating what I have said frequently, I do not think that at any stage during the passage of the Bill and debate on the Floor of the House there has been time wasting. Indeed, I think that the Minister will acknowledge that this evening, in an effort to make progress, at times we have curtailed debate to make very short contributions. Yet we face the fact that, at Report stage of a constitutional measure of considerable importance, a huge number of amendments have not been debated at all. I deeply regret that we have not had a chance to debate our proposals, which would have reinforced the first-past-the-post system, made it fairer and produced fairer results.

In so far as our proposal has any pain involved in it, I say to the Secretary of State that, far from, as has been suggested, it being a piece of gerrymandering, the pain would fall fairly evenly. I cannot for the life of me see where the gerrymandering would be, because ultimately the decisions as to the shape of constituencies would lie entirely with the Boundary Commission, not with us as politicians. Our inability to debate that in this place during the passage of the Bill strikes me as an enormous missed opportunity. The title of the Bill does not reflect its true scope, and we have not had an opportunity to conduct a debate on that matter.

I turn to other areas of the Bill. There are some sensible amendments in respect of the House of Lords, which we also welcome, and we await with interest how the other place responds to them. Some of the amendments are extremely good. We are delighted that our proposals about the tax status of Members of the House of Lords, put forward by my right hon. Friend the Leader of the Opposition and tabled by us, enabled us to bring about a change—*[Interruption.]* I see the hon. Member for Pendle (Mr. Prentice) smiling, but the fact of the matter is that, until we tabled that amendment, there was nothing in the amendment paper to bring that about. It was only our intervention, and our saying that that was clearly an area of public concern that needed to be addressed, that finally enabled us to do that. I am delighted that it has happened. Times change, and what may have been deemed to be acceptable in previous generations, when Commonwealth citizens, or Commonwealth residents, were encouraged to come and spend parts of their careers in this country and then go back to their homes, is no longer seen as acceptable, because of the public perception that people may derive tax advantages from it. That is all the more reason, therefore, to change those rules, but until we tabled that amendment, we were not in a position to do anything about it. I acknowledge that the hon. Member for Pendle had this in his sights for a considerable period, but he did not seem to be very successful in persuading his own Front Benchers to take the issue particularly seriously.

Mr. Gordon Prentice: What's new then?

Mr. Grieve: The hon. Gentleman says, "What's new?" I acknowledge that he has a personal approach in

being willing to articulate what he believes to be right which is much respected by Conservative Members. On that we are in agreement.

We are less in agreement on two matters relating to the House of Lords. I do not wish to go over the first in great detail, but it is worth reminding ourselves that the Government's decision to get rid of the by-elections for electing a certain number of hereditary peers pending the final resolution of the constitutional status and reform of the Upper House is a flagrant breach of the undertakings that they gave at the time of the initial House of Lords reform. I very much regret that; this is not a final reform of the House of Lords. If it is, the Government have been misleading the public as to what the final reform might be. For those reasons, I do not think that this is a good idea, and I strongly believe that the Government will find that when the Bill gets to the other place, they may have difficulties there as well.

Then there is an issue that is of deep concern to us but is quite capable of being resolved. I have to put the Minister on notice that unless it is sorted out, it will prejudice the ability of the Bill to go on the statute book; it is the extraordinary procedure by which it will be possible, under the Bill as it stands, for a Member of the House of Lords to resign and immediately stand for election for the House of Commons. I think that I am right in saying that the Liberal Democrats and ourselves—and, indeed, I suspect others in this House—tend to see that as a device by which certain Government Ministers who have found their political careers in this place ended by various problems and gone to the other place for a resting period while they recover their strength, can like Lord Voldemort, come back to this House, reinvigorated. Quite frankly that is unacceptable.

There must be a period between resignation from the House of Lords and return or re-embodiment in this Chamber. There should be a period during which that return is not permitted. It is likely that that matter will be returned to in another place. If there is no time, and we get to the wash-up and there have to be discussions about issues in the Bill, that is one that will have to be sorted out to our satisfaction if the Bill is to go on the statute book. As it stands, it is contemptuous of the public and of the reasons why people should be going to the House of Lords in the first place as legislators; usually because they accept that some aspect of political ambition is gone and not as a springboard to a resurrected existence in this place. For those reasons, I hope that the Government will listen to the arguments in the other place and act accordingly.

Finally we come, with some regret, to the issue concerning noise in Parliament square. The Government tabled some sensible amendments to the Bill to try to resolve some of the civil liberties issues surrounding demonstrations around Parliament where we were unhappy—the Government had begun to accept out unhappiness—that the structures that had been set up previously were a fetter on civil liberties and freedom of expression. We were supportive of the Government on that and pleased that they were in the Bill.

We had also understood—we believed that the Government shared our concern—that in some cases the right to freedom of expression was being abused by people bombarding Parliament with amplified noise to such a level as to constitute a serious nuisance. Indeed anyone who works in this building will know exactly what the impact is, particularly if they have rooms or offices that are adjacent to Parliament square itself. It was our understanding that the Government recognised that there was an issue, were happy—we thought—for there to be a free vote and were encouraging that it should not be seen as a partisan issue, as indeed we did not see it. We tabled an amendment in good faith, which we very much hoped would command acceptance. Indeed, until very recently we thought it would receive considerable encouragement from the Government. It is therefore unfortunate that this Bill will be going ahead without a provision dealing with the noise nuisance in Parliament square.

I am the first to accept the cock-up theory of politics, rather than the conspiracy theory, and the Minister for Policing, Crime and Counter-Terrorism, who answered for the Government on Report, appeared to say that he had been brought into this matter at the very last minute, so I can understand why he might not be aware of the Government's previously stated position on a number of occasions, particularly by the Secretary of State for Justice, and why they may have suddenly got cold feet. I found it difficult to disentangle the reasons for that. On the one hand, they might have been procedural, in that he shared the intention but thought there was a defect in the Opposition amendment. It is not the first time that Opposition amendments have been defective, however; it is often jolly difficult for Oppositions to draft amendments that are perfect, and if the Government support the principle behind them, we rather expect them to lend a hand in tidying things up. On the other hand, the problem might have been that the Minister for Policing, Crime and Counter-Terrorism had suddenly decided that there was some electoral, or other, advantage in arguing that people should be allowed to bombard the Houses of Parliament with amplified noise at nuisance level for hour after hour every day. I do hope that the latter is not the case. Indeed, I find it difficult to believe it is the case, because of all the expressions of concern about this issue from Members throughout the House, including the Government Back Benches.

May I therefore make a plea to the Minister? I hope that he understands that we felt that we had to put the matter to the vote, because of the Government's unexpected withdrawal of support for the proposal without coming up with any alternative. Clearly, the opportunity still exists to deal with this, and I urge the Minister to do so in a way both that sends out a message that the House of Commons supports civil liberties and freedom of expression, and, equally reasonably, that maintains that there are proper ways of expressing oneself that do not involve a noise nuisance perpetrated hour after hour. I cannot believe that it is beyond the wit of a parliamentary draftsman to put something together that can provide that without also silencing the bells of Westminster abbey, as has been suggested in rather apocalyptic fashion. I am by no means persuaded that the amendment that was tabled would have done that, but it was clearly not the intention that it should do so.

The Bill is lacking in this respect. The Government took a specific decision to deal with demonstrations in the vicinity of Parliament square, which was a sensible move, but at the end a key component is missing. I urge the Minister to address this when he goes away to discuss these matters with his colleagues and to consider what is to be done in the other place.

[Mr. Grieve]

I do not want to take up any more of the House's time. This Bill has been a bit of a magical mystery tour, in that we have never known from one day to the next what would be in it. It started out in concept as very grand indeed, but by the time it was launched on Second Reading it had shrunk to mouse-like size. It has since been mildly reinvigorated in some areas, but it is defective in others. We have got to try to sort that out. If we do so, I would like to think that even if the Minister is not completely satisfied with the outcome, he will at least leave this place with a proper sense that he has actually achieved something that is a monument to his endeavours. I say to him that I would like to see that happen. A bit of flexibility on the part of the Government in the dying weeks of this Parliament can ensure that it does.

9.29 pm

Dr. Tony Wright: I shall be very brief. In some ways, this should be called the "constitutional highways and byways" Bill, because we have roamed freely during its passage. For a moment I wish to return to where we started, because I was keen on where we started and, in particular, on the proposition that the time had finally come, after 150 years, to put the civil service on to a statutory basis. Many of us had been campaigning year in, year out on the issue and undertakings had been given by this Government and, in some respects, by the previous one, that this would happen, but I had begun to think that it never would. I am delighted that it has been possible, through political consensus—that was always the precondition for this happening—to get within a close distance of having secured it. I can say to the House that this measure will be an enormous source of satisfaction to the civil service of this country, which has wanted this constitutional underpinning for a long time—securing it will be a huge achievement. Whatever else happens in the remaining life of this Bill, I hope that we can at least secure that provision because that was its core constitutional element when we set out and not to secure it at this stage would be serious.

Given that that provision was the Bill's core element at the beginning, I regret very much that many amendments relating to it were never able to be taken because we went off on this constitutional tour. However, I am delighted that the Government have now accepted what is contained in amendment 35. It has not been discussed at any point, and in a different world it would have been the subject of exhaustive discussion because it turns on the powers that we think special advisers should have; this would have been a major item of debate on this Bill. So although I say that it is good that right at the end the Government have accepted an amendment that the Public Administration Committee had proposed, it is not satisfactory that it has not been discussed as we progressed. A long list of other amendments on the civil service have not been discussed either, and that cannot be satisfactory.

Having said that, I was one of those who was pressing for some of the highways and byways to be explored and, in particular, some of the tidying-up measures relating to the House of Lords. I was pleased that we managed to accommodate those in the Bill, but my regret is that we did so selectively. The Government have taken up large elements of Lord Steel's Bill, but they failed to take up the residual bit that proposes that it is time to put the House of Lords Appointments Commission on a statutory basis. I think that the House of Lords will have something to say about that omission. That bears directly on today's controversy about Lord Ashcroft, because it cannot be right that when a non-statutory body imposes an obligation on a prospective Member of the House of Lords to come onshore for tax purposes, that can be disregarded without any sanction. It cannot be right that a non-statutory body can start inventing rules of that kind which are then not enforced. We have to be serious about this machinery and not just have a row about the consequences of it. We must ensure that we have the machinery embedded, constitutionally, in the proper place—I suspect that we are not done on that.

I was not one of those who was pressing to include a provision on the electoral system, but, on balance, I think that the alternative vote system is probably preferable to first past the post. I merely note in the margin of that discussion that it has implications for us. Everyone party to that discussion was lining up to say how much they believe in the single Member constituency. Of course we all love the single Member constituency because we are all "the single Member". I am not sure that it looks quite the same from the point of view of the citizen. I am about to become what we like to call "an ordinary person" and, as such, my view of these matters is liable to be quite different from the one that I have as the single Member for my constituency sitting in this place. Casting an eye in the Speaker's direction, I shall simply say that at some point we will have to revisit the guidance if we are all so attached to the single Member constituency. After all, we send letters out to people saying that we cannot possibly deal with their case if they are not one of our constituents. In fact we say—I do it, too—that there is a strict parliamentary convention against it. If someone happens to have a Member of Parliament who they find politically or personally so antipathetic that they want to go nowhere near them, which is not inconceivable, and seeks to approach another Member of Parliament to take up their cause, I am not so sure that that citizen—that ordinary person—will feel quite so attached to the single Member constituency when they get the letter saying that there is a strict parliamentary convention that means that the second MP cannot deal with them. If that is the general consensus of opinion in the House, even if we might change in the direction of the alternative vote, we must revisit some of the conventions to which we say we are so attached.

I had hoped to go to my political grave having secured one further thing, which I have failed to do. It is a simple thing: to allow citizens to take up cases directly with the ombudsman. When the House set up the ombudsman system in 1967, it worried that the system would undermine the ability of Members of Parliament to deal with the grievances of their constituents. That turned out to be completely false. For the past 30 years, successive ombudsmen have called for the right of direct citizen access. The Cabinet Office had a discussion 10 years ago and it recorded that there was universal dissatisfaction with the present system. In 2004, my Committee, in association with the ombudsman, did a survey of all Members of Parliament and found that there was a clear majority in favour of direct access.

Here we are again, about to face a general election and for many weeks citizens will not have access to the ombudsman because there will not be a Member of Parliament through whom they can do so. As the ombudsman has pointed out, this is a completely unsustainable position. It would take one simple clause of the kind that we have described to make the required change and I suspect that the House of Lords will be interested in that, even if we are not.

Finally, I said earlier that I thought that the Bill was a Christmas tree without Christmas, but there are things of value in it that should be welcomed. We might not get all the goodies that Christmas can bring, but we shall get the orange and the chocolate mouse, and they are certainly worth having.

9.37 pm

David Howarth: I certainly agree with what the hon. Member for Cannock Chase (Dr. Wright) said about this being a Christmas tree Bill. I also agree with what he said about the ombudsman. A number of serious aspects of the Bill could have been attached to the tree rather more usefully than some of the stuff that is in it.

In introducing the debate on Third Reading, the Minister said that the Bill had matured like good wine. It is certainly different from the previous version. It is very different from the draft Bill, to the extent that one might fear that this is one of those French wine scandals. The original draft Bill had about 45 clauses, 17 of which are now no more—they are nowhere to be seen. The remaining 28 clauses form less than a third—more like a quarter following our proceedings on Report—of the Bill. This is a very different Bill from the one with which we started. It is certainly much longer, as it is about double the size that it was when we started to discuss it on Second Reading.

The main measure of how different the Bill is can be seen if one looks at the long title, which is now nearly three times longer than the title with which we started. Topic after topic—and specific topic after specific topic—have been added. That is an interesting way of assessing what has happened to the Bill. The Government never wanted it to be a constitutional reform Bill in the sense that it was about the constitution of the country. The long title was never designed to allow extensive debate about any topic of constitutional reform. It was specifically designed to describe a small number of specific reforms. Having set out on that route, the Government then added more and more specific topics without any great theme.

Nevertheless, there is much in the Bill to welcome. Let me start with new clause 37, which the Minister spoke about at the start of his speech about counting votes on election night. I strongly welcome the comments on that measure, especially the way in which he described how it will operate. It is important that it should have the flexibility that he described because there is a danger, especially when there is consensus in the House, of legislating at great speed and ending up with an unworkable, rigid piece of legislation. I hope not only that returning officers will listen to what the Minister and the Opposition spokesman, the hon. and learned Member for Beaconsfield (Mr. Grieve), have said about how important this matter is to many Members of Parliament, but that they will listen regarding the important flexibility that the Minister put into his interpretation of the new clause. In some parts of the country, votes are never counted on election night. Indeed, in some areas, such as the far northern islands and highlands of Scotland, there have been times when the count did not happen until the Saturday. We must understand the practical difficulties that many returning officers face.

The omissions in the Bill are very important. The hon. Member for Cannock Chase (Dr. Wright) has described many aspects that the Select Committee on Public Administration wanted to discuss. One such missing issue is the measures regarding the role of the Attorney-General that were in the draft Bill but mysteriously disappeared from the version that was put forward on Second Reading. I have wanted to discuss that issue throughout the Bill's various stages, including Committee and Report, but we have not got around to it and we have never had a proper debate about what the Government were up to. It still strikes me as utterly unsatisfactory that a Minister of the Crown should have a decisive say in any way about whether a particular individual or company is prosecuted. That aspect of our system of government must be put right. International organisations have noted that that is not how a modern state should operate.

Nevertheless, the civil service part of the Bill is a great achievement and should be strongly welcomed. The last-minute acceptance of new clauses on special advisers should also be strongly welcomed. They are not quite right in our view and so we tabled some amendments regarding those measures, which were never discussed, about precisely how that should be done—in the law or simply in a code of practice. Another crucial issue that we never got around to discussing is how many special advisers there should be and whether there should be a numerical limit. Without such a limit it will still be possible to appoint 3,000 SpAds and to end up with a senior civil service that is more of the American style than the British style. We should have discussed that issue more seriously.

I congratulate the hon. Member for Hendon (Mr. Dismore) on getting the provisions of the Crown Employment (Nationality) Bill through. He has been struggling with those measures for many years, and it is good to see that, in the end, they will make it to the statute book—at least at this stage.

I strongly welcome the progress on the treaties part of the Bill, but there has not been much progress. The Government still insist on using the negative resolution procedure, which effectively denies Parliament a voice. It is a more open procedure, but it still is not effective. It is disappointing that the Government have chosen not to move on other aspects of the prerogative on which they have promised to move since at least 2007 and earlier, such as war powers and the Dissolution of Parliament—an issue that we will face all too soon.

On the referendum on electoral reform, it is the wrong system, as it is not a proportional system. However, that reform is a small step in the right direction. We are prepared to face a referendum with equanimity. We hope that a future Government will move much more radically towards an electoral system that is not only fair but produces legitimate Governments. The present system produces Governments who are elected on such a low percentage of the vote that, regardless of party, they have little public support—so little, in fact, that they are unpopular and illegitimate from the start.

[David Howarth]

I very much welcome those parts of the Bill that deal with the implementation of Kelly. I think that the Government have fulfilled their promise in that regard, and that is much to be welcomed.

On the House of Lords, I am greatly disappointed that we have not made proper progress towards the promise that my party made in 1911. We promised then to introduce a House of Lords that was elected on a popular basis, but it looks like 100 years or more will pass before we achieve that. I am sure that there are members of the Conservative party who hope to delay it even longer, but it must come. We cannot have a legislature that is appointed. We cannot have people with a serious say in what counts as the law of the land who are not elected—

Mrs. Laing: Yes, we can.

David Howarth: The hon. Lady says that we can have such people, and we do have them, but should we? Again, how is that a legitimate system of government? I do not think that hon. Members on any side of the House realise quite how near to the edge of illegitimacy we are with our system of government. We spend a lot of time congratulating ourselves here, without realising how deep the political malaise in our political system is. That malaise extends to the House of Lords and to the voting system for the Commons.

Progress was also made on the tax status of Members of the House of Lords, although it was not quite what it should have been. What sort of person should we have in the Lords? That is the question to ask: the important thing is not whether that person should pay tax, but whether a person who does not want to pay tax should be there in the first place.

Progress has been made on public order. Two steps forward have been taken by removing the excessive regulation of protest near Parliament, but the institution of a heavy-handed regime amounts to one step back. I believe that we will have to watch that regime very closely, to make sure that the powers that it contains are not abused.

I profoundly disagree with what the hon. and learned Member for Beaconsfield (Mr. Grieve) said about noise. This is a constitutional Bill, and the noise made outside Parliament does not strike me as a big enough issue for a Bill such as this. Also, I caution him against treating noise as an issue significant enough to obstruct the progress of a Bill of this importance. I am sure that he did not mean that.

Mr. Grieve: I want to make two points to the hon. Gentleman that he may agree with. First, part of the Bill deals with demonstrations in Parliament square. Strictly speaking, that is not a constitutional issue, but rather one of the odd, Christmas-tree aspects of the legislation. However, he may agree that it is quite an important change, in light of the deep disquiet that exists about fettering freedom of expression and civil liberties. Given that context, the issue of noise clearly could have been dealt with in this Bill, and he may also agree that it is unfortunate that we have not done so.

Secondly, I want to make it clear that I do not see the question of noise as the be-all and end-all of this legislation. I never suggested that it was.

David Howarth: I am glad for the final sentence of that intervention. It strikes me as disproportionate to suggest that reform of the civil service should be put at any risk because of a disagreement about something else.

Mr. Grieve: I just want to make myself clear. As I indicated to the Minister, I have very deep disquiet about certain elements of the Bill, but the question of noise is not one of them. I expressed regret that a consensual approach—and I thought that we had achieved consensus on the matter—seemed to have failed. I also said that I hoped very much that the issue could be dealt with in the other place.

David Howarth: I am very glad of that clarification. I am sure that the Minister is too.

The big problem with the Bill now is timing. Its process through the House has not been handled well. We eventually had six days in Committee on the Floor of the House, whereas we were originally going to have four. The Government's real intentions for getting the Bill out of this House and into the other House were not made clear at any point. I suspect that the Bill will get its Second Reading in the other place some time between 22 and 24 March. That is very late in the life of this Parliament, and the Bill is unlikely to receive a Committee stage in the House of Lords.

The Bill contains important and welcome reforms, but it is in danger of being hacked to pieces in the process of negotiation that happens at the end of Parliaments. It would be regrettable if that were the case. This is not a real constitutional reform Bill, which would deal with much bigger issues. It would be a shame, however, if the achievement, such as it is, were lost in procedural wrangles at the end of the Parliament.

Mr. Mark Francois (Rayleigh) (Con): A few minutes ago, the hon. Gentleman mentioned the debates that we had on the provisions relating to the ratification of treaties. From memory, when we debated ratification processes—we also discussed Lisbon—I said that in the other place there had been a vote on the so-called in-out referendum, in which the Liberal Democrats voted against taking a different position from the one that they took in the House. We had another debate on a completely different topic last Friday. While I was preparing for it, I looked again at the Division lists, and in fairness, it turns out that the Liberal Democrats abstained from the vote in the other place, rather than voting against the measure. As he mentioned it, may I take the opportunity to set the record straight?

David Howarth: I am grateful for that partial peace offering from the hon. Gentleman, and I hope that that is the spirit in which the Bill makes progress.

9.51 pm

Mr. Dismore: I do not want to say a great deal, but I do want to say something about chapter 4, which deals with Crown employment nationality provisions. I did not have a chance to address the matter when we considered my amendments in Committee, because of the guillotine that was operating. The extent to which

the Bill has been subject to guillotine motions throughout its progress is regrettable, as it has meant that we could not discuss many things that should have been discussed at greater length and that some things were not discussed at all.

I wanted to refer to the provision, because it is rather close to my heart, as several Front-Bench spokespeople have said. I began work on the issue about 10 years ago, and the measure has gone through various guises, including presentation Bills, ten-minute Bills and so on. The object was to straighten out the provisions on recruitment to the civil service. The measure has been around for a long time—I think that this was my ninth attempt to legislate on the issue—and it began as a hand-out Bill with Government support. The Government then went rather neutral and decided that it was not such a good thing after all, but eventually we won them round again. After a lengthy period, the measure in its various guises enjoyed different degrees of support from the Government, and the same is true of the Opposition.

The Bill, which had no priority at all, reached Report stage on three separate occasions, which was something of an achievement. The late Eric Forth took it upon himself particularly to victimise the Bill, and when he passed away, the hon. Member for Christchurch (Mr. Chope) considered it to be the Eric Forth memorial Bill, given the right hon. Gentleman's opposition to it, so it was an effort to make progress with it. Realistically, we are now going to put right problems that go back the best part of 200 years. When the Act of Settlement was introduced, it was a welcome measure, but as time went by, it faded away, with the Aliens Restriction Act 1914, and a plethora of regulations, orders and EU directives, which intersected to create such a spider's web of provision that it was impossible to work out who was entitled to work for the civil service and who was not. Some strange criminal offences were created—people did not even know they existed—and there were weird anomalies whereby the widow of a 9/11 victim who was an American citizen married to a British person could not work for the civil service, but Abu Hamza, should he pass the exams, I suppose, could, because he had British nationality. There were all sorts of strange outcomes, but we now have workable provisions.

Clause for clause, this is probably the most scrutinised piece of legislation that the House has introduced in recent years, apart from the fox-hunting legislation, given the number of times that it has been debated and considered. We now have provisions that will create a civil service that is more representative of our multicultural society. The legislation will reserve about 10 per cent. of civil service posts where it is appropriate that UK nationals hold them, but overall we have workable and sensible provisions that will create a civil service that reflects our society.

I am very pleased that, at long last, we have been able to take the legislation this far. There is always many a slip between cup and lip, but given the assurances of support from the various Front Benchers, I hope that, with a fair wind, this part of the Bill will survive the wash-up and, equally, the depredations of the other place, which it has unfortunately never managed to reach. I live in hope that, at long last and after nine attempts, we have finally achieved the objective of reforming the nationality rules of the civil service.

9.55 pm

Mr. Wills: With the leave of the House, I shall say a few words in conclusion. This has been a good-spirited Third Reading debate, and I am very grateful for all that has been said. In response, I shall pick up on some of the points that have been made.

Much reference has been made to the Bill's protracted gestation, and dictionaries have been pillaged to find the appropriate imagery. It is true that the Bill has taken a considerable time to complete its journey to this stage, and one reason is that we have genuinely tried to move forward consensually. It has been, as my hon. Friend the Member for Hendon (Mr. Dismore) just said, one of the most scrutinised Bills ever, and I know that we could all have done with more time on it. However, there has been a great degree of scrutiny. All Members accept that we have tried to respond to the real concerns of this House and to move forward on that basis, and I think that we have had a great deal of success.

Despite all the grudging remarks about the Bill's lack of ambition, somehow everyone has found something good to say about it, and together that means that it is a significant Bill. I must give credit to the hon. and learned Member for Beaconsfield (Mr. Grieve) for the way in which he adapted his previous characterisation of the Bill, and I am extremely grateful for his acknowledgement that it is no longer a mouse—even though my hon. Friend the Member for Cannock Chase (Dr. Wright) seemed to think that a chocolate mouse was a good thing, rather than a pejorative phrase.

Anyway, I hope that when we look collectively at the endeavours in which we have all been engaged, we can all feel proud of what we have achieved. I am very grateful not only to all hon. Members present, but to all who have contributed significantly to the legislation on the Joint Committee on Human Rights, in the various Select Committee hearings and in all our protracted debates on the Floor of the House.

I have listened very carefully to what Members have said, and I particularly listened to what the hon. and learned Gentleman said about how we need to move forward. Clearly, there are still areas for further discussion and areas about which significant Members still feel strongly, but I undertake on my own behalf and that of my right hon. Friend the Lord Chancellor and Secretary of State to do all that we can to meet those concerns in the remaining weeks of this Parliament.

I am confident and have no doubt that we can make some progress. I doubt whether we can do everything that everybody wants, and all of us may have to make some hard decisions in the next two or three weeks, but I hope that we can do so while remembering what gave rise to the Bill in the first place and the subject to which we have turned over and over again in all our discussions: the need to restore trust in our democratic politics.

The House has had a tough time during the progress of this Bill, and there have been many problems, but MPs' expenses did not create them; to a large extent it crystallised inherent problems, which all of us in our different ways—in our constituencies and here in this place—have wrestled with for a considerable time, and we have to take away that message. That is what gave rise to the Bill, and in seeing it through to what I hope will be its conclusion during the remaining weeks of

[Mr. Wills]

this Parliament, I hope that we can all remember why we are doing this: to restore the trust of the people whom we all serve.

I think that the Bill goes a considerable way towards doing that, directly through the measures that we have taken to set up the Independent Parliamentary Standards Authority and everything around it, and indirectly by rewiring our constitutional arrangements in order to make them more transparent, to make all of us more accountable to the people whom we serve, to give power back to Parliament and to fetter the Executive. We have had a lot of discussion about that. I believe that when people look at the Bill, they will see that the Government's instinct is to give power away. It is important that we remember that as we move forward.

In conclusion, I pay tribute again to everyone who has contributed so much to the Bill. I am confident that when historians look at it, they will—

Debate interrupted (Programme Order, this day).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E). That the Bill be now read the Third time.

Question agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

AUDIT COMMISSION

That the Code of Audit Practice 2010 for local NHS bodies, a copy of which was laid before this House on 14 January, be approved.—*(Mr. Heppell.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

That the Code of Audit Practice 2010 for local government bodies, a copy of which was laid before this House on 14 January, be approved.—*(Mr. Heppell.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

LICENCES AND LICENSING

That the draft Licensing Act 2003 (Mandatory Licensing Conditions) Order 2010, which was laid before this House on 27 January, be approved.—*(Mr. Heppell.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until tomorrow (Standing Order No. 41A).

Motion made, and Question put forthwith (Standing Order No. 118(6)),

OIL TAXATION

That the draft Field Allowance for New Oil Fields Order 2010, which was laid before this House on 3 February, be approved.—*(Mr. Heppell.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

EUROPEAN DEFENCE AGENCY ACTIVITY IN 2009 AND 2010

That this House takes note of the unnumbered explanatory memorandum dated 3 December 2009, Report by the Head of the European Defence Agency to the Council on activities in 2009, and European Union Documents No. 16275/09, European Defence Agency document on Three year financial framework 2010-2012, postponement and 2010 Budget adoption and No. 16462/09, European Defence Agency Guidelines for the Agency's work in 2010; and supports the Government's aim of ensuring that the EDA is used to deliver enhanced military capability across the EU.—*(Mr. Heppell.)*

Question agreed to.

PETITIONS

Carer Poverty

10.1 pm

Bob Spink (Castle Point) (Ind): I rise to present a petition that calls for a better deal for carers. We can all agree about the wonderful work that they do, and we know that society would not be sustained as it is without them. I warmly thank Darren Osborne and the 600 or so who have signed his electronic petition, which is fronted by the paper petition that I have with me. Campaigners will be taking the matter to the Prime Minister tomorrow at No. 10. Meanwhile, I am honoured to support the good work of all who have signed the petition.

The petition states:

The Petition of Mr Darren Osborne, Carers Poverty Alliance, Carers Poverty Protest and others.

Declares that carers allowance should be paid at a level that gives carers the dignity, quality of life and recognition this hard working group deserves within the benefits system; that all carers who provide 35 hours per week unpaid care for a relative, partner or friend of any age with a long term illness or disability, or who is elderly and frail, be paid an increased allowance regardless of means or receipt of any other benefits, including the state pension; further notes that carers should not be forced to live on a limited income, nor should they have to self fund their caring role, by living off their limited savings; that for these and other valid reasons, carers who provide over 35 hours of care per week should receive an increased carers allowance exempt from assessment for all other benefits and believes that this is in the public interest.

The Petitioners therefore request that the House of Commons urges the Government to pay increased carers allowance exempt from all other benefit assessments to all carers who provide over 35 hours of care per week.

And the Petitioners remain, etc.

[P000746]

Anti-social Behaviour

10.3 pm

Bob Spink (Castle Point) (Ind): I have a second petition, about antisocial behaviour, which we all know destroys the quality of life of decent, law-abiding residents. We should not tolerate it—we should seek to stop it, not excuse, explain or understand it. There is too much political correctness surrounding antisocial behaviour, and I thank Mr. and Mrs. Martin and those who have signed their petition for their efforts in trying to remove that blight from their community.

Following is the full text of the petition:

[The Petition of Mr and Mrs Martin, the residents of St George's Walk and others,

Declares that the constant playing of football on the green adjacent to St George's Walk is causing a nuisance to local residents by damaging the green, surrounding properties and area; that the participating youths behave anti-socially which causes distress and creates unnecessary work for residents who must clean up the mess left at the end of the day; further declares that the Council has a statutory responsibility, under the Environmental Protection Act 1990, to take reasonable steps to investigate any complaint of a nuisance in their area; that for these and other valid reasons, Castle Point Borough Council should prohibit the playing of football on this area of the green and plants trees around the green to increase the safety of properties and the visual amenities for the community.

The Petitioners therefore request that the House of Commons urges the Government to press Castle Point Borough Council and local Councillors to immediately investigate this nuisance, ban football on the green and begin planting trees for the community wellbeing.

And the Petitioners remain, etc.]

[P000745]

Traffic Calming (Irchester)

10.4 pm

Mr. Peter Bone (Wellingborough) (Con): I should like to present a petition that has been organised by Mr. Brian Cheney of the Wollaston road residents and road users group, who went out in the most inclement weather to get 543 signatures.

The petition states:

The Humble Petition of Residents of Irchester, Northamptonshire and the surrounding areas.

Sheweth that there is a problem with speeding traffic through Irchester; welcomes the efforts of local councillors, council officers and the police in devising road calming measures; that the Petitioners support the mini roundabout, the vehicle-activated signs, the police enforcement scheme and other measures; but that the Petitioners have reservations about the chicanes on the Wollaston Road; and notes that a survey of 543 people showed that the majority wanted revised traffic-calming in Wollaston Road.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Communities and Local Government to request that Northamptonshire County Council in conjunction with the Borough Council of Wellingborough and Irchester Parish Council, review the chicanes in Wollaston Road to see whether alternative or revised traffic-calming measures are necessary.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000747]

Porton Down

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Heppell.)*

10.5 pm

Robert Key (Salisbury) (Con): Most people in south Wiltshire are very proud of the achievements of both establishments at Porton Down: the Centre for Emergency Preparedness and Response, and the Defence Science and Technology Laboratory. If they did not exist, they would have to be invented. In the fevered minds of journalists, they are shadowy and mysterious homes of the dark arts, and likely to generate extravagant language, but to most local people the reality is very different. We know that the work of all involved, from the scientists of international repute to the staff who keep the place going, is vital to our national interest and well-being.

It all started in 1915 when chemical weapons were first used against British troops. The carnage was appalling. In 1916, work started on anti-gas defence and respirator development, as well as research on how chlorine, mustard gas and phosgene were disseminated. Porton Down was chosen because it is an isolated, 7,000 acre site with very little human habitation downwind for many miles.

By 1956, the United Kingdom had abandoned any sort of chemical and biological warfare capability and restricted work to hazard assessment and defence. In 1979, the Government split off the Ministry of Defence Porton Down biology department to the Department of Health, which established the Centre for Applied Microbiology and Research, which is now part of the Health Protection Agency and known as the Centre for Emergency Preparedness and Response. However, the two establishments, which are treated as one by the Health and Safety Executive, work together, adding resilience to both. That relationship should not be broken.

Dangerous pathogens of humans, animals and plants are a major threat to public health and the nation's economy. At Porton Down, research is done to understand dangerous pathogens, and how to detect and treat them. Pathogens evolve constantly, so we must always be one step ahead—some 38 new species of human pathogen have been found in the past 25 years. Climate change will affect the emergence and characteristics of infectious diseases, and their transmission in the UK. Globalisation and the ease of international travel allow infections to spread rapidly.

Dangerous pathogens can be weaponised and the security services are alert to the potential for the malicious use of pathogenic material as a terrorist weapon. Anthrax was used as a weapon in the USA in 2001. Porton Down has always been a world leader in that work, as I discovered when visiting the US Centres for Disease Control and Prevention in Atlanta, Georgia, and the US Government's Lawrence Livermore Laboratory in California. Indeed, the US Government have invested in HPA Porton Down and currently commission work there.

The HPA has been at the forefront of tackling every biological problem in the past 25 years. In 1986, bovine spongiform encephalopathy was identified, and later the human variant Creutzfeldt-Jakob disease. In 2001, more than 6 million animals were destroyed in response to foot and mouth disease. Swine flu put HPA Porton Down under pressure in terms of public health planning, anti-viral stockpiling and accelerated vaccine manufacture.

[Robert Key]

Smallpox, Ebola, anthrax, plague, botulinum, clostridium difficile, ricin, West Nile disease, swine flu and other pathogens that are continually evolving and changing are all in a day's work at the centre. They are the most deadly pathogens in the world. I salute the scientific work force and their supporters whose research, developments and trials at Porton Down help to protect our nation every single day and prepare us for the worst, whether natural or man-made. Also manufactured at Porton Down is life-saving Erwinase, used to treat leukaemia, the most common childhood cancer, saving some 1,400 young lives every year.

All Governments have recognised the growing importance of this work. In 2008, the Government announced a major multi-million pound rebuilding programme to give the HPA state-of-the-art, world-class high-containment laboratories to levels CL3 and CL4. They would take full advantage of the highly specialised science community at Porton Down and rebuild on the 85-acre North Field site. The high-level security of the site, co-located with the Ministry of Defence laboratories, is ideal. This redevelopment is known as the Chrysalis programme.

The local community is supportive. Indeed, generations of scientists are the local community, and their presence has seen the development of exceptionally large and successful science departments in local schools. Wiltshire council is proactive in providing infrastructure and community services as well readily granting planning permission and promoting the emerging Porton science park. In September 2009, the chief executive of the HPA wrote to me saying:

"We continue to be on track to finalise and submit the Outline Business Case for the project in Spring 2010".

In October 2009, out of the blue, someone mentioned Terlings Park in Harlow, and the possible conversion of a mothballed 30-year-old pharmaceutical plant, as an alternative to the on-site rebuild, on which the HPA had already spent £10 million. Last month, Terlings Park became the HPA board's favoured location. This about-turn was met with shocked disbelief by the work force at Porton Down. Both management and trade unions, on behalf of the whole work force, have made the argument against such a misconceived move. HPA management claims that the short-term risks of disruption and hiatus will be outweighed by the 50-year, long-term advantages of synergy with other HPA sites not very far from Harlow. We do not know how they arrived at that conclusion because they have refused to allow us to see the two key documents, their consultants' reports on the outline business cases and the preferred options analysis. I ask the Minister when those documents will be available for public scrutiny.

I put it to the Minister that a number of points are clear, and they do not support the proposed move to Harlow. The main argument of HPA is that Porton Down is a long way from the other sites—the Radiation Protection Division and Chemical Hazards and Poisons Division at Chilton, Oxfordshire; the Centre for Infections at Colindale in London; and the National Institute for Biological Standards and Controls at Potters Bar. If CEPR moved closer to the other three, HPA alleges that over 50 years a synergy would develop that would outweigh the short-term risks.

So what are the risks? Terlings Park cannot accommodate all the CEPR activities and there is no room for growth, whereas all the other sites could move to Porton Down tomorrow with room to spare. The close working relationship with the military side of Porton Down would be lost and so would their joint resilience. If CEPR is moved to Harlow, it will in fact disintegrate. All the years of expertise in safe handling of the most dangerous organisms in the world will be lost, as will the animal modelling and translation on interventions. The move would also undermine Porton Down's external income-generating capacity, which currently covers more than two thirds of the costs of running CEPR every year.

Most of the scientists have roots in the Salisbury community and do not wish to move to Harlow. Many of them work on programmes funded by the US National Institute of Allergies and Infectious Diseases, which has supplied most of the investment necessary. Would it stand by and watch CEPR walk away to Essex? Would it fund its investment all over again? The risk is too high.

The physical security of the Porton Down campus infrastructure bears no comparison to the Harlow site, which would be very vulnerable. The introduction of dangerous pathogens to the Harlow urban environment is high risk and I do wonder whether the good people of Harlow would really wish their council to agree to it. Inevitably, animals used in trials, including primates, would have to travel by road from Porton Down to Harlow, where safe animal accommodation would have to be provided to support the biological investigation services. Would that be acceptable to the citizens of Harlow?

The Minister confirmed in a parliamentary answer, on 22 February, that the CEPR has been working since 2005 to provide advice and expertise to the organisers of the Olympic and Paralympic games in London in 2012. Any incident during the Olympic games would occur at a time of maximum disruption to the Porton Down CEPR, if it were on the move to Harlow.

The proposed move of 800 Government employees to Harlow in the crowded south-east of England is exactly contrary to the Lyons review, which said that public employees should be moved out of the south-east. Such a move would also be contrary to the report of Sir David Cooksey, which concluded that too much of our excellent medical research failed to translate basic and clinical research into ideas and projects and thence into clinical practice. But that is exactly what happens now at Porton Down—a national benefit that risks being destroyed if CEPR is broken up and sent to Harlow.

I appeal to the board of the Health Protection Agency, the members of which are all extremely distinguished scientists—one has extensive commercial experience in the pharmaceutical industry—to ask itself if it really, in its heart of hearts, supports this disruptive and risky gamble, which would destroy 94 years of scientific excellence that is admired and respected all around the world, and which has a great future at Porton Down.

I have written to the permanent secretary at the Department of Health, saying that I am alarmed by the haste with which the board is seeking a ministerial decision so close to a general election, and asking him not to agree to such a request being made to the

Minister. But if it is, on behalf of my constituents I ask her to consider the wider implications for national security as well as the impact on the work force at Porton Down and the wider community of Salisbury and south Wiltshire, before she makes a decision of such magnitude.

10.18 pm

The Minister of State, Department of Health (Gillian Merron): May I first congratulate the hon. Member for Salisbury (Robert Key) on securing this debate? I know him to be a passionate supporter and defender of the Health Protection Agency's facility at Porton Down, its staff and the excellent work that it does, and I look forward to meeting him tomorrow to discuss this important matter in greater detail.

As the hon. Gentleman has said, for almost a century some of our greatest minds worked at Porton Down to protect Britain and her allies during the first world war, the second world war and the cold war. In the age of global terrorism, the work carried out there remains as important today as it ever was. All along, men and women at Porton Down have worked tirelessly in the national interest, and I share his admiration for their work and add my thanks to his. However, the facility itself is in urgent need of major attention. As we have heard, the majority of the buildings date from the 1950s and have been repaired and refurbished over the years to the point where refurbishment is no longer an option. Replacement is the way forward.

I hope that it will help if I give some background to where I feel we have come to. The first thing to say is that Health Protection Agency staff deserve buildings and equipment befitting their status as scientific world leaders. In August 2008, the Department of Health approved the strategic case for Project Chrysalis, authorising the HPA to spend up to £5 million. The agency contributed a further £5 million to this from its central Government grant. Its objective was to create the best possible environment for the work of Porton Down to continue. Although that work focused on the refurbishment of the Porton Down site, the HPA was not restricted from looking at other options. Last summer, as part of the agency's value for money and due diligence work, an alternative site was found for consideration in Harlow, Essex.

On 12 October, at an all-staff briefing, Mr. Miles Carroll, the HPA's site director at Porton Down, explained the need to explore every option in order to get the best possible value for money, which included the possible option of moving to another site. He informed the staff that a medical research facility at Terlings Park in Harlow had become available, and that this was being looked at as one of several options. That briefing was followed on the same day by an all-staff online discussion. Between October and December 2009, staff were kept informed by a series of newsletters, bulletins, intranet updates, drop-in sessions and all-staff briefings. The HPA's chief executive, Mr. Justin McCracken, also briefed the national joint staff committee about the Terlings Park option at a meeting on 3 December. This was not publicly announced as no decisions had been made, but at every stage the HPA has sought to be as open and transparent with its employees as possible.

I understand that the outline business case, containing a number of possible options, was presented to the HPA board on 27 January for its decision. The board will formally inform the Department of Health of its decision and recommendations in due course. Ministers will then decide whether to approve the recommended option and pass it to the Treasury Ministers for final approval. The hon. Gentleman will be aware that, until the Department receives the outline business case, I am unable to comment on the HPA's detailed proposals, as they have not yet been formed in order to come to my attention. I shall, however, endeavour to address a number of the hon. Gentleman's concerns for the safety and security of the nation and for the best interests of his constituents, for whom he rightly speaks up.

I shall first address the HPA's emergency response capability. The agency combines public health, scientific knowledge, research and emergency planning expertise within a single organisation. There is no reason to predict that its ability to carry out an effective emergency response will suffer while the project is being taken forward. On the contrary, one of the objectives of Project Chrysalis is significantly to enhance that capability and capacity. Of course, should a move take place, it will be important to maintain that ability during any transition. Emergency response work at Porton Down would stop only after any replacement facility was up and running and had been properly validated.

I know that the hon. Gentleman is concerned that moving the HPA's facility from Porton Down—if that were to happen—would undermine our science base, on which so many jobs rely, now and in the future. To safeguard this, if the facility were to move, any potential negative effect on the Porton Down area would need to be more than balanced out by the positive impact of any change. That is one of several crucial factors that the HPA board and Ministers will consider when reaching a final decision. It will also be important that any potential move does not undermine the HPA's close working relationships with the defence interests on site and with the Defence Science and Technology Laboratory. These are vital issues that the HPA will fully consider as part of the outline business case.

The hon. Gentleman rightly raised the matter of the United States federal Government. He expressed his concern that any move could in some way damage or impact on our relations with the United States. The services that the HPA provides to the US Government, including the development of animal models for several diseases, will not be adversely affected, whatever the final decision. Project Chrysalis is designed to improve the UK's long-term security, and in doing so will reinforce our relationship with the United States. If we continue to have the best facilities and to employ the best people, I have every reason to believe that our relations will remain excellent.

The hon. Gentleman has raised concerns about the security of the laboratories and their staff. I can assure him and the House that their safety will always be our No. 1 priority. The Porton Down site is clearly very secure, and if it were to be relocated, the new facilities would need to be brought up to at least as high a standard.

I know that there is also concern about the potential loss of revenue to the HPA and the Centre for Emergency Preparedness and Response, particularly if there were to be any move from Porton Down. Handling the most dangerous pathogens is highly specialised work, and the income generated by the CEPR is an integral part of

[Gillian Merron]

HPA's finances. Any move to upgrade the CEPR's capabilities, however, is likely to improve this income because of the improvement in facilities.

Naturally and quite understandably, the hon. Gentleman is most concerned about the future prospects of his constituents. I reiterate that the outline business case has not been submitted for approval and that no final decisions have been taken on its recommendations. The HPA employs almost 600 highly valued full and part-time staff at Porton Down. In the event of a move to a new facility, the HPA would do everything in its power, as should any responsible public sector employer, to support its staff either by helping them and their families to move to the area of the new site or to help them to find suitable alternative employment.

The hon. Gentleman understandably mentioned Sir Michael Lyons's review, which looked at relocating a substantial number of public sector activities from London and the south-east to other parts of the UK. The principle of that review would, of course, be an important part of the decision-making process, along with the quality of any alternative facility and value for money for the taxpayer.

I hope that this initial response has been of some assistance to the hon. Gentleman in clarifying the situation and setting out the background. I am pleased to say again, as I said at the outset, that I am meeting him tomorrow in order to discuss all these matters—and, I am sure, others—in far greater detail. I am glad to do that, not least because I understand the reasons for, and the depth of, his concerns, which have been clearly and correctly put before the House this evening.

Question put and agreed to.

10.27 pm

House adjourned.

House of Commons

Wednesday 3 March 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Malaria

1. **Peter Luff** (Mid-Worcestershire) (Con): When he last met representatives of relevant non-governmental organisations to discuss the control of malaria in developing countries; and if he will make a statement. [319864]

2. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): What steps his Department is taking to control malaria in developing countries. [319865]

The Secretary of State for International Development (Mr. Douglas Alexander): My hon. Friends the Minister of State and the Under-Secretary have both recently met Malaria No More to discuss the control of malaria in developing countries, and I regularly meet members of the Bond NGO network, which includes health and malaria-focused NGOs.

Peter Luff: The whole House will want to celebrate the truly remarkable work of the Bill and Melinda Gates Foundation, which will undoubtedly save millions of lives in the coming years. What steps are the Government taking to work closely with Mr. Gates and his foundation to maximise the effectiveness of its vital fight against malaria?

Mr. Alexander: I entirely concur with the sentiments expressed in the hon. Gentleman's question. I had the opportunity to meet Bill Gates just two or three weeks ago at Davos, when I congratulated him on the extraordinary work that the foundation is undertaking, which I thanked him for on behalf of the people of the United Kingdom. We are working very closely with the foundation, and we welcome the fact that its new office for Europe has been opened here in London. That is a reflection of the strong and strengthening work we are undertaking not only on malaria, but on a number of other diseases as well.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Given both that the Global Fund to Fight AIDS, Tuberculosis and Malaria is facing a shortfall and that there will be an international conference on replenishment next October, will my right hon. Friend encourage the entire international community to make the highest possible contribution in order to save even more lives?

Mr. Alexander: I pay due respect to the expertise that my right hon. Friend brings to this issue. For many years he has been a tireless advocate for the cause of tackling these preventable diseases. The global fund is undertaking important work, but it faces an international shortfall. In response to the last replenishment round, we were able to make an unprecedented commitment of £1 billion over seven years, reflecting the fact that we need to build up the sustainability of the treatments for these diseases across the developing world. I hope that in the coming replenishment round other countries will feel able to match the long-term commitments that we made in the last one.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): For a number of other diseases and health issues, the Department for International Development has produced a strategic plan with detailed input from experts and civil society. Does the Secretary of State not think that we should do the same for malaria, and will he now bring the same level of attention and rigour as the Gates foundation to tackling this entirely preventable and treatable disease?

Mr. Alexander: I assure the hon. Gentleman that we are working in close partnership with a wide range of organisations, including multilateral bodies such as the World Health Organisation, the Roll Back Malaria coalition, UNITAID and the Global Fund to Fight AIDS, Tuberculosis and Malaria, which we have just discussed. I assure the hon. Gentleman that that partnership approach informs our work.

Mr. Vara: Given that the WHO estimates that almost half the world's population is at risk from malaria, and following the Secretary of State's earlier comments, will he inform the House what steps his Department is taking on the development and roll-out of a vaccine against malaria?

Mr. Alexander: I can give the assurance the hon. Gentleman is seeking. We are funding research, and we are also looking at the affordability of treatments, which is key. There is certainly common ground between us in recognising the scale of the challenge we are facing. It is estimated that almost 250 million people around the world fall severely ill with malaria each year. Almost 1 million die, mostly children, and one in five child deaths in sub-Saharan Africa is still from malaria, despite the fact that in many cases treatments are available, such as malarial-treated bed nets.

Mr. Bill Olner (Nuneaton) (Lab): Will my right hon. Friend be partnering some of the drug companies, which hold an important key in respect of speedily rolling out anti-malarial vaccines to the population? This is not rocket science. There are some cheap vaccines out there, and the drug companies ought to be playing a fuller role than they are at present.

Mr. Alexander: We are working with drug companies, first, on the affordability of medicines and, secondly, on research into vaccines. In both areas, it is vital that the private sector plays its role in making sure that we provide affordable, effective treatments for this terrible disease.

David Simpson (Upper Bann) (DUP): Is the United Nations target of eradicating malaria by 2015 achievable?

Mr. Alexander: Of course the international community has to work to achieve the eradication of this disease for which many cures are available—such as something as simple as ensuring that a family sleeps under a malarial-treated bed net. That is why the White Paper my Department published last July supports the delivery of 10 million more bed nets each year from 2010 to 2013. We estimate that this alone will help to prevent 165,000 child deaths from malaria.

China

3. **Andrew Selous** (South-West Bedfordshire) (Con): How much his Department has spent on aid to China in the last five years. [319866]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): Including humanitarian aid allocated in response to the earthquake in Sichuan—which registered 8 on the Richter scale, killed 70,000 people, and left 300,000 people injured and millions homeless—DFID has spent, on average, £34.5 million a year over the past five years in China.

Andrew Selous: We want the very poorest people in China to escape poverty, but given that China's gross domestic product per head is $5,300, that China has growth of 8 per cent. and that it is a world superpower, would it not be a more effective use of British aid to target it on the very poorest people in the weakest economies?

Mr. Foster: The football analogy would be that on a per capita basis China is languishing somewhere near the bottom of the Football League, whereas on a global level it is indeed at the top of the premier league. It is important to recognise that 200 million people in China still live on less than $1.25 a day and that 450 million people live on less than $2 a day. That is why it is important to have a sustainable partnership and a dialogue with the Chinese authorities and to work alongside them in tackling the type of poverty that the hon. Gentleman has just described.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Although I accept that targeting the poorest in the world and working with countries such as China is a difficult balance to strike, what assessment does the Minister make of the human rights record of such countries in ensuring that the moneys given get to the very poorest in places such as China, India and other parts of Asia?

Mr. Foster: We regularly discuss with the Chinese authorities their obligations to meet international laws on human rights and freedom of speech. In order to deal with the very poorest people living in China, it is important that we have a dialogue with the Chinese authorities and that, through the work that was recognised by the International Development Committee, we engage in pilot studies. If the progress is seen to be effective, the schemes can then be rolled out on a massive scale in countries as big as China.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): As a member of the Committee at the time of some of those pilots, especially the child-centred education projects and other such schemes, may I ask what constant monitoring the Department is undertaking to ensure that the lessons learned really are being rolled out? There were some very good schemes on the ground, but is the Department assessing their impact, beyond the money that it is spending, in leveraging in more work by the Chinese?

Mr. Foster: It is very much in our interest and that of China that the lessons learned from engagement with such development projects are rolled out, and the evidence on the ground suggests that that is happening. Indeed, in one of the meetings that I had during my visit to China last year, one of my colleagues from the World Bank remarked that they immediately recognised a school that the Department had been working with just by the layout of the classrooms—they could tell immediately that DFID's engagement and positive role had had a part to play.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): China has just spent £20 billion hosting the Olympics and has foreign exchange reserves of more than $2 trillion, yet DFID aid to China has increased in each of the years since 2005. The figure that the Minister failed to give us is that £188 million of taxpayers' money has been spent on aid to China since 2004-05. Does he not understand that giving aid to China, and indeed to Russia, is in danger of bringing into disrepute this vital budget, which we are all pledged to protect?

Mr. Foster: Interestingly, in 1997 the overseas development spend in China was four times higher than it is now. I also point out to the hon. Gentleman that we announced in May 2006 that we are ending the China programme in 2011. Using language that may well play to a gallery at a party conference may win him some applause—and it may protect his position in the shadow Cabinet—but it certainly does not show leadership on development issues.

Violence Against Women (Developing Countries)

4. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What steps he plans to take to tackle violence against women in developing countries. [319867]

The Minister of State, Department for International Development (Mr. Gareth Thomas): We are supporting and funding a series of initiatives internationally, through our country programmes and non-governmental organisations, to prevent violence against women, and to protect and help victims of such violence in, for example, Pakistan, Afghanistan, Nepal, the Democratic Republic of the Congo and Uganda.

Jim Sheridan: May I ask my hon. Friend what support his Department has given to civil society organisations, including women's organisations, to help tackle the terrible crime of violence against women?

Mr. Thomas: My hon. Friend is right to make the point that civil society has a critical role to play, both in helping to provide support to the victims of such violence and in advocating new laws and better support by Governments in developing countries. One particular example of the work that we fund through civil society groups is that of the International Rescue Committee in

Sierra Leone. Its work has helped to support the development of new legislation and a range of new services to provide new support for women and child victims of a range of sexual offences.

Malcolm Bruce (Gordon) (LD): Will the Minister acknowledge that eastern Congo probably witnesses the most savage and brutal attacks and rapes on women anywhere on the planet? As the United Kingdom is a major donor in the DRC, what does he think we can do to lead action to give the women of DRC the right to life and the right to equality in life that they are denied at present?

Mr. Thomas: The right hon. Gentleman is absolutely right to highlight the eastern DRC as a particularly appalling example of the scale of violence against women. We can provide direct support, as we are, to help women to come forward to report examples of rape and other sexual crimes. We can also provide support to train the police to deal with such violence, which we are doing. In the end, there has to be the political will in the DRC for the issue to be tackled, which is why my right hon. Friend the Secretary of State and others have raised it at the highest level with President Kabila and his Ministers.

John Robertson (Glasgow, North-West) (Lab): Will my hon. Friend tell me what discussions he has had with the Nigerian Government about not only violence against women in northern Nigeria in particular, but the trafficking of women through northern Nigeria?

Mr. Thomas: My hon. Friend will know, as he has a long-standing interest in Nigeria, that we work in a series of northern states in particular, where we are to trying to encourage more girls into school. We are obviously working with the authorities at a federal and state level in Nigeria. In that way, we are trying to help to improve the situation of girls and women more generally in Nigeria.

Mr. Gary Streeter (South-West Devon) (Con): Is not the most effective way of tackling violence against women, strangely enough, to ensure that more girls get into education? Can we not make better progress over the next few years towards millennium development goal 3? Does the Minister share my disappointment that, despite many resources being poured in, we are still lagging some way behind our targets for that goal?

Mr. Thomas: Of course we want to see much more progress in the prevention of violence against women and to see more girls getting into school. We have made significant progress in increasing the number of girls in school. One reason why we are pledged to increase our spending on international development is to fund more education programmes and to get more girls into school.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): If we are to tackle violence against women and many of the other issues wrapped up in the achievement of the millennium development goal, the international community will have substantially to raise its game. In that context, the UN women's agency is very important. Having supported the creation of the agency, which we welcome, the Government are now, it is reported, seeking to limit its operational capacity to something of a co-ordinating role. Will he reassure us that that is not the case and that we will see that agency given the resources and tools to do the job?

Mr. Thomas: We have long advocated a powerful new women's agency that brings the parts of the UN system that already work on this issue together under strong new leadership with better resourcing. The agency can play an important role and bring together more players in the UN system to do more work on tackling violence against women, in particular, and on a series of issues on gender equality.

Fairtrade Fortnight

5. **Andrew Rosindell** (Romford)(Con): What contribution his Department has made to Fairtrade fortnight. [319868]

6. **Mr. Humfrey Malins** (Woking) (Con): What contribution his Department has made to Fairtrade fortnight. [319869]

The Secretary of State for International Development (Mr. Douglas Alexander): The Minister of State, officials from my Department and I are all taking part in a number of events and awareness-raising efforts through Fairtrade fortnight. Our participation is testament to the value that we place on Fairtrade's contribution to development and to reducing poverty. That is, of course, underpinned by our White Paper commitment of £12 million to expand Fairtrade globally, so that we can double the number of producers who benefit directly.

Andrew Rosindell: On this side of the House, we are enthusiastic about the achievements and potential of the Fairtrade movement, which allows British consumers to send a voluntary signal through the market about the conditions in which they want their goods to be produced. Will the Secretary of State join me in congratulating British brands that have moved towards Fairtrade in recent years?

Mr. Alexander: I am happy to do so. One reason for the almost explosive growth in Fairtrade in recent years is that major retailers—started, I am proud to say by the co-operative movement, and including brands such as Morrisons, Sainsbury's and Marks and Spencer—have made Fairtrade products available in many large stores and supermarkets. Of course, I pay tribute to organisations such as Traidcraft that have flown the flag for Fairtrade for many years, but if we want the growth of Fairtrade products to continue, it is vital that those major brands continue to support them.

Mr. Malins: Existing trade rules often prevent producers in the developing world from lifting themselves out of poverty. Does the Minister agree that now, more than ever, is the time to champion a free, open and fair trading system, and will he do all he can to end the deadlock in the Doha round of trade talks?

Mr. Alexander: I hope that I can give the hon. Gentleman the assurance that he seeks. Only tomorrow, I will be meeting Pascal Lamy, the director general of the World Trade Organisation, to discuss how we can continue to make progress towards achieving the fairer trade rules

that were promised by the global community, and anticipated back in 2001, but that, alas, have not yet reached a conclusion.

Mr. David S. Borrow (South Ribble) (Lab): For years, Cath Greenlees of Longton in my constituency has organised Fairtrade stalls at community events across South Ribble. Indeed, she met my right hon. Friend when he visited my constituency recently. Will he join me in paying tribute to the hundreds and thousands of Fairtrade activists who do so much work to promote that cause?

Mr. Alexander: I am unyielding in my admiration of the work that I saw for myself in South Ribble and of my hon. Friend, who has been a tireless campaigner for Fairtrade for many years in the House. His comments reflect a sentiment that is shared on both sides of the House—that we should applaud and pay due respect to those people who have advocated Fairtrade for many years and who are now directly benefiting many millions of producers across the developing world.

Dr. Gavin Strang (Edinburgh, East) (Lab): May I agree with my right hon. Friend that it is a tribute to the people of these islands that such a high volume of Fairtrade products are now going through our major retailers, including the supermarkets? Will he take this opportunity to pay tribute to the pioneers, who are still needed in the independent third-sector outlets, who keep the flame burning and who keep pushing forward the case for Fairtrade in this country?

Mr. Alexander: Of course, I am happy to do so. I am something of a long marcher when it comes to Fairtrade produce—I remember when Campaign Coffee tasted nothing like coffee. In that sense, the success of the pioneers is now being seen in major multiples across the country. Were it not for the powerful voice of campaigners, advocates and consumers, we would not have seen the shift in recent years by the major supermarkets, so I am happy to pay tribute to those people.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): I am sure that the whole House will acknowledge the success of Fairtrade fortnight. The Secretary of State has highlighted the fact that his Department will spend £12 million on Fairtrade and helping farmers to work their way out of poverty, but how will that money be spent and how will he evaluate its impact and effectiveness?

Mr. Alexander: For all our expenditure, we consider both impact and effectiveness. The principal challenge that we have directed that money towards is both international and domestic. Domestically, we want to increase the range of products available that have the Fairtrade mark and the range of retailers that stock Fairtrade products. At the same time, we want to sustain the kind of growth that we have seen even in the teeth of recession—there has been a 12 per cent. rise in Fairtrade sales in the past year. We also want to replicate internationally the success that we have enjoyed in the UK. If we were to achieve nothing more than the replication of that success, it would transform the lives of farmers and communities across the developing world.

Women's Education (Sub-Saharan Africa)

7. **Mr. Lindsay Hoyle** (Chorley) (Lab): What steps the Government are taking to increase the number of girls in sub-Saharan Africa attending school; and if he will make a statement. [319870]

The Minister of State, Department for International Development (Mr. Gareth Thomas): The UK is committed to increasing aid for education in sub-Saharan Africa to help to ensure that all girls, as well as boys, benefit from good quality basic education. The numbers of girls enrolling in schools in sub-Saharan Africa increased by some £21 million between 1999 and 2007. That was in no small part due to the support provided by the UK.

Mr. Hoyle: I welcome my hon. Friend's reply. Does he agree that the best way of lifting people out of poverty is through the education of the country? I welcome that, but what more can we and other nations do to help?

Mr. Thomas: I agree with my hon. Friend that education is one very powerful route to helping developing countries and their citizens lift themselves out of poverty. We have made a series of commitments in terms of the financial resources that we will commit for education, particularly in Africa, to which we expect to adhere. We are also looking at what else we can do to work with developing country Governments to improve the quality of education, to increase the number of teachers and to improve the learning experience for the students in the schools.

Mark Pritchard (The Wrekin) (Con): Does the Minister accept that too many children all over Africa are still left out of school? That happens not because too little funding goes into general education, but because they cannot afford the school uniforms and the basic pens and pencils that are a prerequisite for being included in a school.

Mr. Thomas: I accept that a huge challenge still faces a series of countries and their citizens when it comes to getting children into school. In Zimbabwe, for example, children still have to pay user fees to go to school, even though our assistance is providing support. That is one reason why we are determined to protect the international development budget, going forward. It is a pity that 96 per cent. of Tory candidates do not share our commitment to that aim. *[Interruption.]*

Mr. Speaker: Order. There are far too many private conversations taking place in the Chamber. I am sure that the House wishes to hear Michael Connarty.

Overseas Aid

8. **Michael Connarty** (Linlithgow and East Falkirk) (Lab): What recent assessment he has made of progress towards the Government's target of spending 0.7 per cent. of gross national income on overseas aid. [319871]

The Secretary of State for International Development (Mr. Douglas Alexander): The Government are on track to spend 0.7 per cent. of gross national income on official development assistance by 2013. The official estimate of the final 2009 ODA:GNI ratio will be

released as a UK national statistic on 1 April. We have recently announced plans to enshrine this commitment in legislation to keep our promises to the world's poorest people and deliver on our Gleneagles commitment, going forward.

Michael Connarty: I thank my right hon. Friend for that answer, and commend the Government on their continued commitment to the target of devoting 0.7 of GNI to international development. Is my hon. Friend as impressed as me by the communities in my constituency of Linlithgow and East Falkirk? Despite being in a recession, people there are saying to me again and again that we must stand by our commitment to that target and also try and export it to other countries. While we are suffering, others in the world are suffering much more.

Mr. Alexander: I am happy to congratulate the communities of Linlithgow and East Falkirk today on their enduring commitment to the task of tackling global poverty. The recession has impacted on livelihoods in both west central and east central Scotland, and across the UK, but it is affecting the lives of many millions of citizens across the developing world.

Tony Baldry (Banbury) (Con): Is money for developing countries to deal with climate change mitigation and adaptation going to come out of the DFID budget?

Mr. Alexander: We have made it clear that new and additional financing will be available from 2013, the period when we were anticipating a conclusion to the Copenhagen negotiations. Indeed, we will limit the contribution of overseas development assistance from 2013 to up to 10 per cent. of the UK's ODA budget. Alas, that commitment has not been matched by the Opposition. I hope that the hon. Gentleman will now campaign for such a commitment to be made.

Zimbabwe

9. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent assessment he has made of the humanitarian situation in Zimbabwe. [319872]

The Minister of State, Department for International Development (Mr. Gareth Thomas): This year, around 2 million people will receive food aid, compared with more than 7 million last year. While the situation has therefore improved, a poor harvest could substantially increase the numbers of people in need.

Sir Nicholas Winterton: Is the Minister convinced that the global political agreement in Zimbabwe is working? Gertrude Hambira, the leader of the General Agricultural and Plantation Workers Union of Zimbabwe, has had to flee to South Africa in fear of her life, because the police have raided her office three times in seven days. Is that a sign that the humanitarian situation in that country is improving?

Mr. Thomas: The hon. Gentleman cuts right to the heart of the challenges in respect of the global political agreement and the workings of the inclusive Government. He is right to highlight the fact that the inclusive Government have yet to achieve a series of political milestones, but we must recognise that Zimbabwe's economic situation has certainly stabilised and improved, which has undoubtedly contributed to the improving humanitarian situation there. As I have said, we continue to watch the country very carefully, as a considerable number of people still require food aid and a poor harvest has the potential to exacerbate the problems that still exist.

John Battle (Leeds, West) (Lab): The International Development Committee recently managed to visit Zimbabwe, where it met some women who had reclaimed land that had been destroyed. Those women are growing things on that land again, under a new system of collective agriculture. Can DFID's pioneering work in introducing new methods of agriculture at a local level be used elsewhere in Africa to demonstrate again that the Department is a top practitioner in tackling poverty?

Mr. Thomas: I thank my right hon. Friend for his comments about our work on agriculture in Zimbabwe. There is a still a considerable amount that we need to ensure happens in Zimbabwe, but we certainly hope that the lessons that have contributed to the successes that he, like other members of the Select Committee, saw at first hand will be replicated in other country programmes with which we are obviously working.

Malaria

10. **Mr. Stephen O'Brien** (Eddisbury) (Con): What steps his Department is taking to control malaria in developing countries. [319873]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): The United Kingdom remains strongly committed to tackling malaria. That was why the Prime Minister committed in 2008 to providing more than 20 million bed nets by the end of 2010 and to helping to prevent 110,00 child deaths. Our 2009 White Paper committed to providing an additional 10 million bed nets each year to 2013.

Mr. O'Brien: Will the Minister take the opportunity to study the report—endorsed by Margaret Chan, the head of the WHO—by the all-party group on malaria and neglected tropical diseases that was given to his office last week? It includes recommendations that would cut short the process of getting to the strategic plan on malaria which my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) urged the Department to adopt and which I would support.

Mr. Foster: I have indeed read the report to which the hon. Gentleman refers, and I congratulate him on his work as chairman of the group. Let me tell the House what he wrote in his foreword to the document:

"The highlights of this report are easily summarised...We're making progress in malaria control at a faster rate than ever before...We have good tools which can prevent and treat malaria...Political will is strong and funding is better than ever before."

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [319879] **Mrs. Eleanor Laing** (Epping Forest) (Con): If he will list his official engagements for Wednesday 3 March.

The Leader of the House of Commons (Ms Harriet Harman): I have been asked to reply. My right hon. Friend the Prime Minister is in attendance on Her Majesty the Queen welcoming President Zuma on his state visit to the United Kingdom.

I am sure that the House will wish to join me in paying tribute to the five British soldiers who have died in Afghanistan: Senior Aircraftman Luke Southgate from 2 Squadron, Royal Air Force Regiment; Rifleman Martin Kinggett from 4th Battalion The Rifles, attached to 3rd Battalion The Rifles; Sergeant Paul Fox from 28 Engineer Regiment, Royal Engineers, attached to the Brigade Reconnaissance Force; Rifleman Carlo Apolis from 4th Battalion The Rifles, attached to 3rd Battalion The Rifles; and the soldier from 3rd Battalion The Rifles who died yesterday. They demonstrated outstanding courage and skill, and they died serving their country, their comrades and the people of Afghanistan. Our thoughts are with their families and their loved ones; their sacrifice will not be forgotten.

I am sure that the whole House will also join me in sending our sincere condolences to the people of Chile following the terrible earthquake at the weekend.

Mrs. Laing: The whole House will wish to join the right hon. and learned Lady in paying tribute to those brave men who have given their lives for our freedom, and of course in what she said about the people of Chile.

Will the right hon. and learned Lady please tell the House why manufacturing has declined faster under this Labour Government than under any other Administration ever?

Ms Harman: Indeed, this is just typical of the Conservatives talking the country down. British manufacturing is strong and it has a great future, especially with advanced manufacturing and that supporting the digital and creative industries. The Conservatives constantly describe Britain as heading towards an age of austerity. We do not share that pessimism; we are optimistic for Britain's future, including in manufacturing.

Mr. Andy Reed (Loughborough) (Lab/Co-op): AstraZeneca in my constituency has decided to relocate its research and development facilities to Cheshire, which will cause 1,200 jobs to be lost to the local economy in 2011. Overall, pharmaceuticals are strong in the United Kingdom, and the Office for Life Sciences has ensured that many such jobs remain in the UK. However, that is no consolation to the 1,200 people who will have to relocate from my constituency, so will my right hon. and learned Friend assure me that the Government will give every assistance to the taskforce that we will set up this week to address the situation and ensure that there is economic and development help for the constituency of Loughborough and the people who will be affected?

Ms Harman: I can give my hon. Friend that assurance. We do not believe in standing by, letting people fend for themselves, letting recession take it course, or that unemployment is a price worth paying. We have an active interventionist policy to support industry, including in the regions, which would suffer if the regional development agencies were abolished, as proposed by the Conservatives.

Mr. William Hague (Richmond, Yorks) (Con): May I join the Leader of the House in sending our thoughts to the people of Chile, and in the sad tributes that we pay so often to the British servicemen killed in Afghanistan—in the past week, Senior Aircraftman Luke Southgate, Rifleman Martin Kinggett, Sergeant Paul Fox, Rifleman Carlo Apolis and the as yet unnamed soldier from 3rd Battalion The Rifles. Let us hope, as the right hon. and learned Lady says, that they are not forgotten and that their sacrifice is not in vain.

I begin by asking the Leader of the House about a matter directly relating to the armed forces, because now we know from the Chilcot inquiry that the Ministry of Defence felt, in the words of its permanent secretary, that it was running "a crisis budget" rather than being able to plan coherently. Is it not time to recognise that it was a mistake of the Prime Minister to insist on cutting the helicopter budget at a time when our country was in the middle of two wars, and with thousands of British troops deployed?

Ms Harman: We have maintained a second to none commitment to our armed forces. It would be wrong for the shadow Foreign Secretary to imply that we in the Government are anything less than fully committed to our armed forces. When it comes to procurement of equipment and financial support for the forces, we will make sure that that commitment is honoured. I am sure that he will be pleased with the increase in helicopters that has recently been announced.

Mr. Hague: I am not saying that the Government are not committed, simply that they made an enormous mistake in 2004 that let our armed forces down. The former Defence Secretary, the right hon. Member for Ashfield (Mr. Hoon) said at the Chilcot inquiry that

"had that budget been spent in the way that we thought we should spend it, then those helicopters would probably be coming into service any time now".

Is it not a lesson for everyone that such an error was made? Will the Prime Minister recognise that when he gives evidence to the Chilcot inquiry on Friday this week?

Ms Harman: If the right hon. Gentleman wants to know what the Prime Minister is going to say to the Chilcot inquiry, he will have to wait until he says it. It is fatuous for the Foreign Secretary to ask me—*[Interruption.]* what the Prime Minister is going to answer in evidence to the Chilcot inquiry on Friday. To return to the insinuation that lies behind the right hon. Gentleman's point, I want to assure the House and everybody in this country who so values the work of our troops that we stand four-square behind them.

Mr. Hague: That is the second time that the right hon. and learned Lady has called me the Foreign Secretary. She must think that we have had the election already. Turning to the UK economy and this week's economic news, why does the Leader of the House think that UK Government bonds are priced by the market as almost twice as risky as the bonds of Pepsi or McDonald's?

Ms Harman: The right hon. Gentleman knows that the value of sterling [HON. MEMBERS: "Bonds!"] depends on a range of issues. On his point in relation to his own

position, there are two contingencies there. First, he is making the assumption that the Conservatives have won the election. They are arrogant. They have not. [HON. MEMBERS: "You said it!"] Secondly—

Mr. Speaker: Order. I apologise for interrupting. We must have some order. Constant barracking and yah-boo behaviour is a complete turn-off to the public. We do not want it. We do not need it.

Ms Harman: Secondly, the right hon. Member for Richmond, Yorks (Mr. Hague) is making the assumption that he will remain in his position. I wonder about that, since the House puts the highest value on integrity—*[Interruption.]* Yes, it does, and the country—*[Interruption.]*

Mr. Speaker: Order. This session will take place in an orderly fashion or it cannot credibly take place at all. I appeal to Members to calm down and to listen both to questions and to answers.

Ms Harman: This is something that the whole House can agree on—that this House places the highest value on the question of integrity. This country has been misled, and the question is whether it was misled by the deputy chair of the Conservative party, or whether it was—*[Interruption.]*

Mr. Speaker: Order. We must stick to matters of Government responsibility.

Mr. Hague: First of all, I was not assuming the election result; she was assuming the election result, and the election of the Conservative party. Secondly, the question was not about sterling but about Government debt, to which I shall return in a moment. And thirdly, people in glasshouses should not start throwing stones, because the real party funding issue in this country is the power of the Unite union. It is bankrolling the Labour party, wrecking British Airways and its deputy general secretary, her husband, has just gone through an all-women shortlist to be selected to stand for Parliament. She may not want to recognise marriage in the tax system but she sure does in the political system.

So, let us return to the question, which is the fate of our entire national economy—merely that. As the Governor of the Bank of England says,

"the longer there is not a credible plan that sets out what actions will be taken"—

on the public finances, there is—"a risk."

If the right hon. and learned Lady does not know about Government debt, why does she think that business investment showed its biggest annual fall last week since records began?

Ms Harman: The question is not about one man in this House of Commons; the question is about one man in the House of Lords. When it comes to Government debt, the most important thing is that the economy should grow, that we take action to ensure that there is growth in the economy and that we have more jobs.

It is also important that we are careful about public spending, and of course tax has a part to play in reducing the deficit. People who have promised to pay their taxes, and given assurances, should pay their taxes, so what has happened to the tens of millions of pounds of taxes that the shadow Foreign Secretary promised would be paid by Lord Ashcroft? We want to know.

Mr. Hague: If she wants to discuss the House of Lords, I am sure that she will want to explain the position of Lord Paul, who was made a Privy Counsellor after he bought 6,000 copies of the Prime Minister's book on courage. Never has so much been given for so few people to read so many words in vain. She might also want to explain why Labour took half a million pounds from a non-dom hedge fund manager called Mr. Bollinger. Champagne socialism is alive and well in the Labour party, obviously.

We had moved on from debt to business investment—she may not have noticed that—but, given that she raised the question of the pound, does she agree with the Prime Minister, who said some years ago that

"a weak currency arises from a weak economy which in turn is the result of a weak Government"?

So, what does this week's plunging pound say about this weak Government?

Ms Harman: As I said in answer to the right hon. Gentleman's earlier point, many issues affect the value of sterling, and we are determined to strengthen the economy and pay down the deficit. The issue that he referred to is a question of the assurance that was given by Lord Ashcroft—*[Interruption.]*

Mr. Speaker: Order. *[Interruption.]* Order. I do not require any help from Back-Bench Members. I would say to the Leader of the House that we must stick to matters of Government responsibility.

Ms Harman *rose*—*[Interruption.]*

Mr. Speaker: Order. This matter has been addressed, and I am sure that the Leader of the House will now do as I suggest.

Ms Harman: This is an issue outside the House of Commons, and I want to deal with issues inside the House of Commons, because the shadow Foreign Secretary stands here without a shred of credibility.

Mr. Hague: I think we know what a desperate panic the Government are now in, and it will not save their marginal seats.

Is not the continued absence of—*[Interruption.]*

Mr. Speaker: Order. I apologise for interrupting the right hon. Gentleman, but Government Back Benchers are now getting very, very over-excited—they must calm down.

Mr. Hague: They should enjoy themselves while they are still here, Mr. Speaker.

Is not the continued absence of confidence in the Government's policies the biggest threat to recovery, as it means that interest rates and mortgage rates will be higher in future than they would otherwise have to be? Would not the real way to create the economic confidence that this country needs be for the Prime Minister, while he is at the palace today, to ask Her Majesty to dissolve this Parliament and call an election so that we can be rid of this disastrous Government once and for all?

Ms Harman: The real way to ensure that we keep the focus on the economy growing and more jobs coming into the economy is to continue to pursue the policies that have strengthened and supported it, and not to accept the advice and suggestions of the inexperienced shadow Chancellor—he was described as such by the shadow Business Secretary—because that would undermine the economy. As to the issue of credibility and who we should believe, we cannot have it that the vice-chairman of the Conservative party is right and the shadow Foreign Secretary is right. They cannot both be right—one of them should go.

Mr. Speaker: I call Dr. Phyllis Starkey.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab) *rose—[Interruption.]*

Mr. Speaker: Order. The House must calm down. A Back Bencher is on her feet. She has a right to ask her question and to be listened to with courtesy.

Dr. Starkey: On Sunday, Bletchley Park in my constituency marked LGBT—lesbian, gay, bisexual and transgender—history month by having a day of celebration of the life and work of Alan Turing. Will the Leader of the House congratulate the organisers at Bletchley Park on this event, which served as a reminder of the unacceptability of the sort of homophobic laws and prejudices that pushed Alan Turing to his suicide in the 1950s?

Ms Harman: I congratulate Bletchley Park on commemorating Alan Turing. His work, and his commitment, is taken forward by us in government, because our Equality Bill, which passed through the House of Lords last night, will further strengthen and protect people against discrimination and homophobia.

Dr. Vincent Cable (Twickenham) (LD): May I add my condolences and those of my party concerning the five servicemen who bravely died on our behalf in Afghanistan; and our condolences, too, on the earthquake in Chile?

I extend a very warm welcome to President Zuma and suggest to the Minister that in her capacity as Government spokesperson on gender equality she might wish to enter into a debate with him on his strong advocacy of polygamy, and particularly the role that married tax allowances might play in promoting it.

Speaking of tax, I told the Minister several weeks ago that Lord Ashcroft was a non-dom, and it has been confirmed that he avoided approximately £100 million-worth of tax while serving in Parliament. Can the Minister explain why Lord Ashcroft is now claiming that the Government relieved him of the solemn and binding undertaking to remain as a permanent resident in the UK?

Ms Harman: As to the hon. Gentleman's point about the married man's tax allowance, it is paradoxical that it would be available to a man on his third wife but not to the first two wives bringing up his children. That is one of the many reasons why we do not support the married man's tax allowance.

The hon. Gentleman, as it turns out, was right that Lord Ashcroft, despite the assurances he gave, was a non-dom, and he was right that the country had been misled into believing that Lord Ashcroft was complying with his previous assurances. I agree with him that there are answers to be given on this, but they are not answers to be given by the Government. They are to be given by the—*[Interruption.]*

Mr. Speaker: Order. I am grateful—that is fair enough.

Dr. Cable: There are answers to be given by the Government. Will the right hon. and learned Lady release immediately all the documentation and records of conversations in the Cabinet Office that relate to this matter? More generally on the issue of non-domicile taxation, can she explain why the Government took on board a Conservative proposal for a poll tax on non-doms that bears harshly on low-income expatriates but is a pathetic flea bite for seriously rich fat cats such as Lord Ashcroft?

Ms Harman: I believe that we should have full transparency on this issue, and I agree with the hon. Gentleman on that. The question of the release of any Government papers is a matter for the Cabinet Secretary, but as far as information about this is concerned, we perhaps do not just need to wait for any information that is released by the Cabinet Secretary. We can read Lord Ashcroft's autobiography, aptly entitled "Dirty politics, Dirty times", because in it he explains how he came to be in the House of Lords. He says, "I owe it all to William."

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Does my right hon. and learned Friend recollect that we had to fight the Falklands war because the then Conservative Government withdrew the patrols by HMS Endurance and offered to hand over sovereignty of the Falkland Islands to the fascist dictator Galtieri? Will she—*[Interruption.]* The Conservatives are laughing, but they were going to hand over the Falkland Islands. Will my right hon. and learned Friend reaffirm staunchly this Government's loyalty to the loyalty of the people of the Falkland Islands and uphold their wishes and their rights?

Ms Harman: I will give that assurance. There is no question about the sovereignty of the Falklands, there is no question about their right to self-determination and there is no question but that they will be fully defended.

Q2. [319680] **Mr. Philip Hollobone** (Kettering) (Con): Will the Leader of the House confirm that during the course of this Parliament, more than half the small businesses that have become insolvent have been driven into bankruptcy by Her Majesty's Revenue and Customs and other Government agencies?

Ms Harman: In fact, 200,000 businesses have been able to stay in business because they have been able to postpone paying their taxes as a way of supporting them through the recession. HMRC has been able to conclude agreements with more than 200,000 businesses, including those in the hon. Gentleman's constituency, and that is a programme to help business that his party opposed.

Mrs. Betty Williams (Conwy) (Lab): Is my right hon. and learned Friend aware of the serious concerns being expressed by individuals, groups and organisations, as well as the press and the media, about the inadequacy of the Dangerous Dogs Act 1991? I speak as a recent victim of an attack, and I share those views. Will she

consider having serious discussions with her Cabinet colleagues about that Act, which I am told was hurriedly put together, in order to review it?

Ms Harman: I express my great sympathy to my hon. Friend for the fact that she was a victim of such an attack by a dog. I assure her that discussions are under way among ministerial colleagues on this matter. We cannot have a situation where people are afraid to let their kids go to the park or to take their own pets out for a walk in the park, or where elderly people are afraid to be on their own because some people have dangerous dogs. If they will not control them, we have to look again at the law and make sure that they are controlled.

Robert Neill (Bromley and Chislehurst) (Con): Question 3, Mr. Speaker.

Mr. Speaker: The hon. Gentleman can ask his question.

Q3. [319881] **Robert Neill** (Bromley and Chislehurst) (Con): I am sorry, Mr. Speaker. [HON. MEMBERS: "Wakey wakey!"] I must have dropped off listening to the right hon. and learned Lady. If she is having such difficulty with the concept of Government bonds, might she take advice from Mr. Michael Saunders, the chief UK economist of Citigroup, who said this week that unless we see a Conservative Government with a clear majority, the interest on Government debt will surely rise?

Ms Harman: I thought the hon. Gentleman had dropped off a very long time ago. I will take advice from many quarters, but I will not take advice—and neither will this Government—from the inexperienced shadow Chancellor.

Phil Wilson (Sedgefield) (Lab): Today we will be discussing the Bribery Bill—*[Interruption.]* Will my right hon. and learned Friend tell me whether Lord Ashcroft's donations will be covered by that Bill?

Ms Harman: What did he say? *[Interruption.]* This is how you can tell it was not a planted question—*[Interruption.]* I am sorry, Mr. Speaker, could you ask my hon. Friend to repeat the question? I did not hear it—there is too much noise opposite.

Mr. Speaker: Order. It does not make much sense for Members to shout at the tops of their voices and then complain when someone is not heard. I call Mr. Phil Wilson.

Phil Wilson: Later today, we will be debating the Bribery Bill. Can my right hon. and learned Friend tell me whether Ashcroft's donations will be part of it?

Ms Harman: Unfortunately, nothing in the Bill will be retrospective. However, assurances that were made to pay tens of millions of pounds in tax should be kept. The measures we have taken—they were passed in the House last night—are important, but that does not relieve Lord Ashcroft of his obligations to pay his taxes.

Q4. [319882] **Mr. David Heathcoat-Amory** (Wells) (Con): The Government often apologise for things in the past, such as the treatment of child migrants to Australia after the war. However regrettable such things are, the Government were not responsible for them. Why can they not apologise for things that they are responsible for, such as the state of the economy and the fact that they sold off our gold reserves for less than a quarter of what they would now be worth, which has so far cost the country $11 billion? Will the right hon. and learned Lady apologise for that?

Ms Harman: We will take our responsibility seriously, and our responsibility is to see this country out of recession and into recovery. I think it is disappointing that the right hon. Gentleman should not accept and support the fact that it is right sometimes for Governments to apologise for what has been done in history that leaves people with a great sense of grievance. When an apology is given, it is the right thing to do, as it was in respect of child migrants and slavery.

Q5. [319883] **Lynne Jones** (Birmingham, Selly Oak) (Lab): Does my right hon. and learned Friend recall that on one of the several occasions when the last Conservative Chancellor, who is currently shadow Business Secretary—the right hon. and learned Member for Rushcliffe (Mr. Clarke)—announced that he was cutting the value of the married couple's allowance, he described it as a bit of an anomaly. Indeed, one of his predecessors, Lord Lawson—

Mr. Speaker: Order. I just say to the hon. Lady that she must relate her question to the policy of the Government.

Lynne Jones: My question is indeed about the policy of the Government. Does my right hon. and learned Friend recall that Lord Lawson described the allowance as something that should be allowed to wither on the vine, which it was? Does she therefore agree that there are better things to spend £600 million on than introducing a bit of an anomaly?

Ms Harman: I can reassure my hon. Friend that we will continue to invest in Sure Start centres, we will continue the child tax credit and we will continue the child trust fund. I can also reassure her that we will not reintroduce a married man's tax allowance that would give 13 times more to the richest people than it would to the poorest people. It would not encourage one single couple to get married or make them happy in their marriage. But it would send—and this is why it would be cruel—a clear message to children in families in which the parents are divorced. It would say to them that there was something wrong with their family, and therefore that there must be something wrong with them. That is another reason why we would never introduce it.

Q6. [319884] **Paul Rowen** (Rochdale) (LD): Five years ago a young person in my constituency was on the dole for an average of eight months before getting a job. That figure now stands at 18 months, the highest figure in the north-west. Is not that the reality of how this Government have failed young people?

Ms Harman: The reality is that four times fewer people are unemployed in this recession than in the previous recession, because of the action that we have taken. I assure the hon. Gentleman that we will fight hard to support industry and jobs, especially jobs for young people. That is why we have introduced the

future jobs fund, with a guarantee that after only six months every person under the age of 24 will be guaranteed work or training.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Can my right hon. and learned Friend tell the House whether the Government have received representations from the Electoral Commission about foreign money being used to buy British constituencies?

Ms Harman: My hon. Friend raises an important issue. It is evident that the Tory party is for sale, but Britain is not.

Bill Wiggin (Leominster) (Con): Leominster town crier and fire fighter Dave Taylor has got cancer. His oncologist has prescribed him Avastin, which is not approved by the National Institute for Health and Clinical Excellence. What can she do to keep this man alive?

Ms Harman: NICE is independent and acts on the best scientific and medical advice. I pay tribute to the progress that has been made in cutting the loss of life from cancer, and the work that is done by oncologists and the rest of the health service to lengthen people's life expectancy and improve their care. That is one of the things that has benefited from the great increase in investment that we have made. I ask the hon. Gentleman to back our commitment to the guarantee that after someone visits a GP with a suspected cancer, they should see an oncologist within one week.

Bribery Bill [*Lords*]

Second Reading

12.33 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I beg to move, That the Bill be now read a Second time.

Before I come to the Bill, I hope that you, Mr. Speaker, will allow me to comment on the news that has just broken that the former leader of the Labour party, Michael Foot, has died. I am sure that that news will be received with great sadness, not only by my party, but across the country. Those of us who knew Michael Foot will have a great many memories of him. I have one particular memory of him from when I was a new Opposition Back Bencher in November 1980. There was a run-off competition between Denis Healey and Michael Foot for the leadership of the Labour party, and on an Opposition day dedicated to the state of the economy—which, I say parenthetically, was not doing all that well—Denis Healey opened the debate and spoke very well.

We all came in for the winding-up speeches, which began at 9 o'clock, and Michael Foot made a speech that suggested to me that he had a line to the Almighty unknown to the rest of us. I witnessed the speech, and so did everyone else, with the same incredulity that I witness the imagination behind a Mozart concerto. The hon. Member for Macclesfield (Sir Nicholas Winterton) may also recall the occasion.

Sir Nicholas Winterton (Macclesfield) (Con) *indicated assent.*

Mr. Straw: Michael Foot held the House. He had no notes—just a couple of newspaper cuttings—and he started off by saying, "Mr. Speaker, I read in the newspapers that only a couple of members of the Cabinet support the Government's economic policy. I have been wondering", he said, scratching his head in his usual way, "how many Conservative Back-Bench Members support the conduct of the economy by the Chancellor of the Exchequer and the Prime Minister." He paused and said, "Hands up who supports the Government's conduct of the economy!" and three Members put up their hands, one of whom was, I am afraid to say, the late benighted Geoffrey Dickens. The House collapsed.

Michael Foot continued—it says a lot that I can remember the speech almost word for word 30 years later—by saying, "It is well known that I come from Plymouth, and my father used to take us to a music hall on Saturday mornings, and sometimes there was a conjurer, and this conjurer was one of the most brilliant conjurers in the world. He used to do all sorts of mind-boggling tricks, and one day he said, 'Ladies and gentlemen, I would like somebody here to produce a gold fob watch,' and a gold fob watch was produced. What is more," Michael Foot said, "we knew that it was produced by somebody who was not a stool pigeon for the conjurer; it was a real gold watch."

"The conjurer said," continued Michael Foot, "'Ladies and gentlemen, I am going to put this gold watch on this desk. I am going to get this large wooden mallet and bring it down on the watch. The watch will smash, sprockets will go one way, springs will go another, and then I will utter a spell and the watch will come back together again, and I will hand it back to its owner—it will be perfect.' The conjurer said, 'Let me take the watch.' He put it on the desk, produced the mallet and brought it down with a resounding whack—sprockets go one way, cogs go another, winding wheels go a third and the case goes a fourth way. Then," said Michael Foot, "there is a very, very long pause, and a longer pause, and then the conjurer turns to the audience and says, 'Ladies and gentlemen, I'm really sorry, but I've forgotten the rest of the trick.'" Then Michael Foot said, "And, of course, Mr. Speaker, the problem for the Prime Minister and the Chancellor of the Exchequer is that they have forgotten the rest of the trick," and he sat down. It was absolutely brilliant, and that speech gave him the Labour leadership.

Mr. Speaker: Order. I have indulged the Secretary of State because he has been paying a gracious and eloquent tribute to a quite extraordinarily distinguished parliamentarian, whose loss we all lament. I hope that the House can fairly quickly move on to the Bribery Bill, but I have great respect for what he has just said.

Mr. Straw: I am very grateful to you for your indulgence, Mr. Speaker. As I said, Michael Foot was held in great affection in all sections of the House and in the country.

Let me now turn to a Bill that our late and honoured friend would have supported: the Bribery Bill. Modernising and strengthening the law on bribery is one of the key strands of the Government's foreign bribery strategy, which I launched in January. I am known—rather pompously, I think it is fair to say—as the Government's anti-bribery champion, but I am very happy to champion that cause.

Bribery, as we know, is an insidious offence. It undercuts honest companies and distorts the free market. It causes state institutions to lose their legitimacy and public confidence in the political system to wane. Where bribery is allowed to flourish, democracy struggles to take root. Its impact on development is equally damaging. Bribery discourages foreign aid, feeds inequality and injustice, and diverts valuable funds away from basic public services. The rich get richer, the poor get poorer, and the most vulnerable in society are hit the hardest. One of the consequences of bribery and the misuse of developments funds, whether they come from the state or from charitable causes, is the undermining of public support in wealthier countries, including this country, for continuing that assistance.

The scale of bribery across the globe is immense. We have to rely on estimates, and although there is no precise estimate of fraud or bribery, the World Bank has estimated that some $1 trillion is paid annually in bribes, adding around 10 per cent. to the cost of doing business in some countries. There is both a moral and a practical imperative for tackling bribery. As a nation reliant on world trade for our prosperity, the United Kingdom is duty bound to set an international example in stamping out this scourge. Changing the law on its own, whether in the context of bribery or any other sphere, is necessary but, of itself, not sufficient. The Bill is therefore one part of our wider strategy to tackle bribery by supporting ethical business practices in British companies, enforcing the law effectively, and working with our international partners to promote good governance overseas.

[Mr. Straw]

That the criminal law on bribery is in need of reform is not in dispute, and certainly not in this House. The current patchwork of offences derives from a mix of common law and rather old statutes, which together have not been substantially altered since the first world war, when Britain was one of the first countries to legislate against any form of corruption. The law has never previously been consolidated, and contains inconsistencies of both language and concept. The result is a body of law that is outdated, complex and, in some respects, uncertain in its effect. As a consequence, it is difficult—although, as we have recently seen, not impossible—for investigators and prosecutors to apply the law sensibly. Therefore, the case for reform is compelling; nor, I am pleased to say, is there now much dispute over how we should change the law.

Lembit Öpik (Montgomeryshire) (LD): Does the Secretary of State agree that the difficulty is that people can buy their way out of some bribery charges if they can afford a good enough lawyer? The inconsistencies in the legislation as it stands are not so easily manipulated by people who cannot afford really good legal advice, but they can be taken advantage of to prove someone's technical innocence, as long as they can spend tens or even hundreds of thousands of pounds on lawyers who really understand the ins and outs of the inconsistencies that the Secretary of State has described.

Mr. Straw: The fact that, notwithstanding the inherent difficulties, there have been successful prosecutions shows that the law is not in an impossible state, and nor should the hon. Gentleman believe that purchasing good legal advice is a means by which people can escape prosecution, conviction and justice. None of us should gainsay the idea that people are entitled to the best legal advice. Indeed, we have the best funded legal system among comparable countries that I can think of. However, the hon. Gentleman makes the case for reforming the law, to straighten it up and modernise it.

The Bill is closely based on proposals put forward by the Law Commission in November 2008, following its customarily careful and thorough analysis of the issues, and extensive consultation with those affected. The approach taken by the Law Commission was strongly and unanimously supported by the Joint Committee that examined the draft Bill. I pay tribute to the work of both the Law Commission and the Joint Committee. The fact that the Bill has attracted wide-ranging support and has passed through the other place with few changes—I shall come to those—is testament to the solid foundations laid by the Law Commission and the Joint Committee.

The core element of the Bill can be briefly described. The Bill creates four offences. The first two are to be found in clauses 1 and 2. Clause 1 makes it an offence to give, promise or offer a bribe, while clause 2 deals with the reverse situation of requesting, agreeing to receive or accepting a bribe. Clause 6 creates a bespoke offence of bribing a foreign public official in order "to obtain or retain" a business advantage. The UK takes its international obligations seriously and this House should be in no doubt that our law is already compliant with the various international conventions combating bribery, to which this country has put its name. This specific offence will underscore our adherence to the OECD's convention on combating bribery of foreign public officials in international business transactions.

The quartet of offences is completed by clause 7, which deals with the offence of failure on the part of a commercial organisation to prevent bribery. That is a really important offence. It will, however, be a defence for a commercial organisation to show that "adequate procedures" were in place to prevent bribery. I will say a little more about that in a few moments. All those are serious offences, in recognition of which we are increasing the current maximum penalty of seven years' imprisonment to 10 years. A commercial organisation convicted on indictment of an offence under the Bill would be liable to an unlimited fine.

David Howarth (Cambridge) (LD): I thank the Secretary of State for giving way on that particular point, because the penalties are a rather important aspect of the Bill. Does he agree that under existing legislation, unlimited fines are available, but the sentencing guidelines mean that the courts do not always take the offences as seriously as they should? Is he saying that because the penalties are changing, the sentencing guidelines will also have to be reconsidered?

Mr. Straw: The hon. Gentleman raises an important point. We are about to establish the Sentencing Council to take over the twin roles of the Sentencing Guidelines Council and the Sentencing Advisory Panel. It would be sensible to invite the new Sentencing Council to look afresh at its guidelines—and given the hon. Gentleman's suggestion, I undertake to do so—in the light of the greater seriousness with which I believe Parliament has already and hopefully will continue to take these offences and the whole issue of bribery.

Mr. Jonathan Djanogly (Huntingdon) (Con): Further to the previous intervention, does the Secretary of State appreciate that the sentencing guidelines conflict in some ways with other sentencing powers, particularly in respect of the Proceeds of Crime Act 2002? Businesses say that people might not come forward because once they have been convicted under this Act, they might be liable to prosecution and penalties under other Acts. Is the Secretary of State going to look at that?

Mr. Straw: In a sense, that is more a matter for the prosecutorial authorities, but I will certainly look at it. If somebody has egregiously taken a bribe, they are unlikely to come forward and volunteer the information in any event. They might have to enter into a compromise agreement, which is a rather different matter. *[Interruption.]* I will give way shortly to the hon. and learned Member for Beaconsfield (Mr. Grieve).

Currently, there is not a corporate offence; we intend that there should be. There will be a responsibility on companies in practice to come forward if they have uncovered evidence. I think that the hon. Member for Huntingdon (Mr. Djanogly) is saying that there should be no protection for those who have been of criminal intent and purpose and effect, but that there should be protection for the innocent company directors and the company as a whole where they have acted properly, and that they should not penalised provided that it can also be shown that they have not profited unjustifiably from the crime. I will certainly follow up the issue and write to the hon. Gentleman.

Mr. Djanogly: The Lord Chancellor has understood the point that I wanted to make, but there is also the question of double jeopardy. I feel that that should examined as well.

Mr. Straw: "Double jeopardy" is a much overworked phrase. It could be argued that it is double jeopardy for someone who has committed a fraud both to end up in the criminal court and to lose his job, but I do not call that double jeopardy. It is simply the consequence of a criminal action.

I happen to believe that the Proceeds of Crime Act 2002 is a very important measure. I would believe that, of course, because I initiated it back in 2000; it was passed after the 2001 election. I think it fair enough for people who have committed a criminal offence and have also received proceeds in a criminal way to have to pay those proceeds back. However, I accept the hon. Gentleman's point.

Mr. Dominic Grieve (Beaconsfield) (Con): This discussion touches on an important issue. The system that we are setting up and, in particular, the way in which the Serious Fraud Office has been working are undoubtedly intended to encourage companies to come forward and admit wrongdoing if it has taken place, and to accept that penalties that will flow from it, but also, in doing so, to mitigate the offence. The system is thus much more like a regulatory regime than any system we have had before. I think that a difficulty will arise if it is perceived that there is no effective framework in which that interplay can occur. One of the aspects of the Bill that will raise anxieties is the fact that, in a rather English way, we are enacting adversarial criminal legislation which, if it is to work properly, will require a regulatory framework involving an understanding of the commercial world in which some of the decisions will be made.

Mr. Speaker: The erudition of the hon. and learned Gentleman's intervention was, I am afraid, equalled only by its length. I much enjoyed listening to it, and we have plenty of time today, but I think that we ought to try to limit the length of interventions.

Mr. Straw: If I may defend the hon. and learned Gentleman, Mr. Speaker, he raised a very important point, and, in doing so, anticipated what I was going to say next. As he observed, we are moving into what amounts to a new regulatory framework.

Over the past 18 months, I have held round-table meetings with representatives of organisations such as Transparency International and CAFOD—the Catholic Fund for Overseas Development—which are concerned about the effect of bribery, particularly in developing countries. Transparency International does a terrific job in ensuring high standards throughout the world. In the same room have been representatives of the CBI and of large business corporations with substantial business overseas, whose staff and agents often work in countries where there is a culture of bribery and corruption and where they could otherwise have been vulnerable to that environment.

One of the points made by the business organisations, which I have accepted, concerns the need for proper written guidance to the new framework. Such guidance would equip them with yardsticks enabling them to judge whether they were complying with the provisions in clause 7. We have already begun to draft the guidance, in collaboration with the prosecutorial authorities and others, and it will be issued well before clause 7 comes into force. A commitment to provide guidance is enshrined in clause 9, which was added to the Bill on Report in the other place. I was anxious that it should be there, because, although I look forward to serving in my present office for at least a further decade, there will come a time when even I shall have to move on, and it is important that undertakings given now can be sustained by a statutory requirement.

Mr. Edward Garnier (Harborough) (Con): The Under-Secretary of State is looking rather worried about the prospect of the Secretary of State's remaining in office for another 10 years, and I share her concern.

Does the Secretary of State intend the guidance to be published before the Act is implemented? As for the sentencing guidance mentioned by the hon. Member for Cambridge (David Howarth), will the conversations that the Secretary of State promised to have include consideration of the need to increase the penalties for economic crime generally? Money laundering currently attracts a maximum of seven years' imprisonment, whereas the sentence for theft and handling is 14 years. I believe that we need to increase the seriousness with which the courts take these matters.

Mr. Straw: The guidance will be issued before the Bill comes into force—although not, obviously, before it becomes law—and we will ensure that businesses and organisations representing them have time to digest it before the sections of the Act to which it relates come into force. The vast majority of business people, whether their businesses are small, medium-sized or large, are transparent and honest, and want to do a decent job. What we must not do is gratuitously catch them out.

Mr. Grieve: I am sorry that the Lord Chancellor is being subjected to a barrage of Front-Bench interventions, but another issue arises. I am sure the Lord Chancellor agrees that there are often grey areas in what is bribery and what may not be. In other countries—including, I believe, the United States—it is often possible to refer a specific matter to the authorities in order to obtain guidance on whether or not a payment is appropriate, but we do not have such a system in this country. Should we perhaps consider adopting one?

Mr. Straw: I will certainly consider it.

I apologise to the hon. and learned Member for Harborough (Mr. Garnier) for not replying to his second question. He was right to suggest that sentences relating to such offences as money laundering should be brought into line with those relating to more general offences, so that the courts receive a message from this place that so-called white-collar crimes are just as important, pound for pound, as crimes committed by a common thief—thefts of tangible or what Dickens used to call portable property.

The hon. and learned Member for Beaconsfield asked whether it would be possible to establish an office where people could submit the full details of what was being proposed and be given a tick or a cross against it. I do not think it desirable to provide for such a scheme in the Bill, and in any event it would not be possible to do so

[Mr. Straw]

in the time available to us. Certainly we have been given no advice to that effect. What I will say to the hon. and learned Gentleman, however, is that clause 7(2), plus the guidance, will give commercial organisations that have acted responsibly, assiduously and in good faith such a complete defence to any prosecution in respect of an individual case that it is unlikely that one would ever be launched.

Clause 7(1) makes a "relevant commercial organisation" guilty of an offence if a person associated with that organisation

"bribes another person intending—

(a) to obtain or retain business for"

the organisation, or

"(b) to obtain or retain an advantage in the conduct of business for"

the organisation.

However, the second limb of the clause—expressed in subsection (2)—states that it is a defence for the relevant commercial organisation to prove that it

"had in place adequate procedures designed to prevent persons associated with"

the organisation "from undertaking such conduct."

This measure is not designed to trip up decent companies that are acting responsibly or in good faith. On the contrary, it is designed to help them, because, as the experience from other countries has shown, the more it is made an imperative that those representing major businesses across the world are themselves under a requirement to act lawfully, the less will be the opportunity for those who are so tempted either to seek or offer bribes. I undertake to this House that we will keep the guidance issue carefully under review; it will have to be a kind of living document, therefore.

Clause 13 has proved to be a sticking point. It provides for a defence for conduct necessary for the proper exercise of the functions of the intelligence services and the armed forces engaged on active service. The House should be in no doubt of the need for such a defence. Members will understand that I cannot go into operational details, but there are circumstances in which it is necessary for the effective discharge of the functions of one of the intelligence agencies or the armed forces that they engage in conduct that would otherwise amount to an offence under clauses 1 and 2. They need to do so because they are working to protect us and our liberties in difficult, and often dangerous, circumstances. We are being very straightforward about that in making provision for this defence.

The truth is that nowadays our intelligence services are subjected to a far higher degree of transparency and accountability than those of most other comparable countries. Again, the House will, I know, excuse me for not being able to go into as much detail as I would like, but the difference is striking. That used not to be the case, of course. Before the passage of the Security Service Act 1989, our intelligence and security agencies—GCHQ, the Secret Intelligence Service and the Security Service—were never "averred", a strange verb meaning that their existence was never admitted to. Everybody denied that these agencies existed, even though there they were in Century house above a petrol station on the St. George's road to the Elephant, and in Gower street and—*[Interruption.]* No, it is not Michael Foot again. They were also in Curzon street. That changed, however. First, we had the 1989 Act, and then the Intelligence Services Act 1994, which also established the Intelligence and Security Committee. Those Acts, along with the Regulation of Investigatory Powers Act 2000, mean that we now have substantial ministerial, parliamentary and judicial oversight.

David Howarth: May I put to the Secretary of State a point about this clause that was made in the other place? These services have a function that goes beyond national security: upholding the economic interests of the country. It has been suggested that it is not appropriate for the permission to bribe, or to be bribed, to be used for that purpose, as opposed to the main purpose of national security.

Mr. Straw: I understand, of course, the concerns that are felt about the operation of the intelligence and security agencies, because they have to work in secret in order to protect our liberties, and there is not only a paradox in that, but a tension, too. Also, to be blunt, those anxieties have clearly been heightened by recent court decisions and what has been exposed as a result, although that has only come out because of the level of transparency that this House has put in place from the specific Acts I have just mentioned through to the Human Rights Act 1998.

I was going to make the following point later, but perhaps I should mention it now. I am in a literally unique position in this House, as over the years I have been responsible for all three of the intelligence agencies. My view is that the functions that are laid down—which, as the hon. Member for Cambridge (David Howarth) said, include economic well-being—are as narrowly defined as they can be. It would be very difficult—in fact it would involve some casuistry and theology—to say, "They could do this, but they can't do that." In an instant case, it can be difficult to say exactly which limb of which function a particular operation might come under, and usually they come under more than one. I therefore hope the hon. Gentleman does not pursue that point.

Hugh Bayley (City of York) (Lab): Most Members recognise that there might be occasions when the intelligence and security services will offer cash or some other advantage in order to obtain information. I am, however, concerned about how the term "active service" in clause 13 might be interpreted. I would not under any circumstances want the procurement of military or intelligence equipment to be deemed to be exempt from the provisions of this Bill because that equipment was to be used in a military operation. Can my right hon. Friend give me the assurance I seek?

Mr. Straw: I have to rely on what clause 13 says:

"It is a defence for a person charged with a relevant bribery offence to prove that the person's conduct was necessary for—

(a) the proper exercise of any function of the Security Service, the Secret Intelligence Service or GCHQ",

or, secondly, that it was necessary in relation to

"the armed forces when engaged on active service."

I think my hon. Friend was referring to the first of those limbs.

Hugh Bayley: With respect, I was referring to both, and in particular to a concern in respect of the armed forces. I seek an assurance that this clause would not permit the armed forces to offer a bribe in securing the purchase of military or security equipment.

Mr. Straw: If my hon. Friend has a concern in respect of the armed forces, I should point out to him that the clause states that

"'active service' means service in—

(a) an action or operation against an enemy,

(b) an operation outside the British Islands for the protection of life or property, or

(c) the military occupation of a foreign country or territory"—

and there are various definitions following that statement. My hon. Friend will, I hope, excuse me if I do not speculate about the precise terms of any decision made variously by the directors general or a Secretary of State about a particular operation. I shall return to this point later. The decisions that are taken are not taken capriciously. The functions of the three services are laid down in two Acts—the 1989 Act deals with the Security Service's functions and the 1994 Act deals with those of the Secret Intelligence Service and GCHQ. I assure my hon. Friend that it is unlikely or wholly improbable that the kind of circumstances that he describes would arise.

Mr. Grieve: I am trying to remember the exact wording, but I seem to recollect that one of the functions of the Security Service and the SIS is to ensure the economic security or well-being of the nation. One can imagine how one interpretation of that could suggest that bribery might be used to secure some economic or commercial advantage. I am sure that that is not the Government's intention, but the issue will have to be addressed in the explanation given as the Bill goes through the House.

Mr. Straw: I should say to the hon. and learned Gentleman that the wording slightly differs. One function of the Security Service is

"to safeguard the economic well-being of the United Kingdom"—

there is no full stop, because with a bit of luck that is a function of the Treasury, the Department for Business, Innovation and Skills and the rest of us—

"against threats posed by the actions or intentions of persons outside the British Islands."

As I say, similar, though not the same, language is used in respect of the other two agencies. It is right that these provisions should be scrutinised, but I hope that it will be possible to reassure the House and the Committee on them.

We could have done what other jurisdictions do, which is to be silent about all this. It is much easier to be silent about this, particularly in civil Napoleonic systems, as I know to my certain knowledge, having discussed what protections are given in practice to intelligence agencies by the judicial systems of some of our European partners. Their approach is straightforward and it is a matter of policy: nothing is on the statute book, but everybody knows what they need to do and everybody does it. Our system is much more open and because of that I thought it would have been disingenuous to have remained silent on this issue and it would have been intensely unfair on officers or agents of the intelligence services and armed forces who may be asked to undertake this unpleasant activity in the course of their work. Nobody should be put in a position where they are placed at risk of prosecution for engaging in work that would otherwise be unlawful but which is necessary in pursuit of the security of the state. I believe that there is common ground on that.

The question to address is what form the special provision for the intelligence services and armed forces should take. The 2003 and 2009 draft Bills contained provision for an authorisation scheme cast in similar terms to section 7 of the 1994 Act. That provides for an authorisation by the Secretary of State and, in practice, by the Foreign Secretary of the day. An authorisation allows members of the agencies to undertake activities that would otherwise be in breach of the criminal law. That was the original proposal, but the Joint Committee that examined the most recent draft Bill was not persuaded of the case for these special arrangements and therefore proposed the removal of the authorisation scheme. I examined that, and I tried to respond to the criticism that was made of the Bill and improve the Bill. I thought that if there was a better and lighter way of meeting the same purpose we should use it. We, thus, withdrew the authorisation scheme and concluded that a better approach would be to provide for a defence.

The defence is a more focused and case-specific mechanism than the authorisation scheme contained in the draft Bill. An authorisation scheme needs to provide for a wider authorisation if it is to be workable in practice and confer the necessary operational flexibility. If I may say so, that is one of the fundamental defects with the authorisation scheme that has now crept into the Bill in a subsection of clause 10. The House of Lords accepted that there was a need to make special provision, but it argued that there was a greater need for better oversight of the conduct of the intelligence services and armed forces in respect of conduct that would otherwise constitute an offence. The other place also argued that the defence was cast too wide in that it included law enforcement agencies. I recognise the strength of the second argument about the breadth of the defence, and we have now narrowed the application of the provision down, in effect, to the intelligence agencies and the armed forces—and nobody else. I am grateful to Members of the other place for drawing our attention to that defect.

Mr. Garnier: Will the Secretary of State clarify whether the Government intend to leave clause 10 as it has come to us from the House of Lords or to seek to amend it in Committee?

Mr. Straw: As I am about to explain, the Government intend to seek to amend the clause, because it will create a hybrid and very uncertain set of authorisations. I hope that I can convince the hon. and learned Gentleman and the House that not only is it not necessary, but it is not desirable. I should say to him that when I examined it my starting point—my default position, as it were—was to see whether we could accommodate it. Why would that not be my position because, particularly at this stage of a Parliament, I am not picking fights unnecessarily?

Mr. Garnier: Oh yes you are!

Mr. Straw: No, no, I am not, and I am certainly not doing so on something as esoteric as this. However, I came to the view—I am clear about this—that this provision is both unnecessary and undesirable.

[Mr. Straw]

The other place accepted the case for the defence clause, but what it did, not as an alternative, but as an addition, was decide to put in place a discretionary ministerial authorisation scheme, and that now forms subsections (6) and (14) of clause 10. What are the defects of those provisions? One defect is that they would sanction conduct covered by the offence at clause 6 of the Bill, which is derived from the OECD's convention on combating bribery of foreign public officials. The Bill as originally drafted did not allow for that possibility. We could put that defect right, but what cannot be put right is the ill-conceived hybrid arrangement, which seeks to combine an optional authorisation scheme with an existing defence. The arrangement is neither one thing nor the other, and thus creates uncertainty about its legal and practical effects and, in the process, undermines the purpose of clause 13.

I remember sitting in this House before I had responsibility for any of the intelligence agencies and sometimes thinking that I was being asked to take on trust undertakings being given in this place by Ministers who say that they know it all but that they cannot communicate what they know. Mostly we did take things on trust from distinguished members of the previous Administration such as Lord Hurd and Lord Howe, and rightly so. Some people have the idea that the intelligence agencies operate in highly regular circumstances—it is a highly regulated system—whereby they have the time to consider individual applications for actions out in the field and these can then be weighed in the balance and an authorisation sought for them prospectively. All that is true in respect of activities by the agencies that are covered by warrantry, which include interception of different kinds and intrusive surveillance. However, some of their actions are inevitably fast-moving—people must have authority at a point at which they are exercising sensible discretion on behalf of the state.

The previous authorisation scheme, which the Joint Committee did not like, was cast to take account of the necessary flexibility that is required by the agencies. It is paralleled by section 7 of the 1994 Act. This provision, however, is far too specific and would jam up the system. I remind the House that there is already intensive supervision of the work of the agencies. Each of the substantive Acts—the 1989, 1994 and 2000 Acts—provides for there to be commissioners who are retired senior members of the judiciary, typically and usually retired Court of Appeal judges, who scrutinise the various aspects of the agencies. Having been subject to their scrutiny, I can tell the House that that is not something that they take lightly. No sensible Secretary of State takes it lightly, and neither do the agencies. Of course, a lot of what they do cannot see the light of day, although they publish redacted reports, but it is extremely important.

With the mechanisms for external accountability in place, in addition to a robust system of internal checks that are partly prompted by the external checks, there is then a powerful onus on the individuals concerned who are carrying out and authorising operations to demonstrate and be satisfied that the proposed action is both necessary and proportionate. Our view, which the Under-Secretary of State for Justice, my hon. Friend the Member for Watford (Claire Ward)—who has just disappeared from the Chamber—will be urging the Committee to accept, is that the defence, when combined with these existing oversight mechanisms, provides an appropriate level of accountability.

In providing a purely discretionary authorisation scheme, the Lords amendment to clause 10 at one level arguably adds nothing but its effect would be—I promise the House—to add confusion and uncertainty. However, through my hon. Friend the Under-Secretary, I shall consider whether we can provide further assurance to the House that there is effective oversight of the conduct of the intelligence services and armed forces that engages the clause 13 defence.

I hope that the House will accept what I have said. I also hope that it will accept the good advice of, for example, Transparency International. As a senior Minister in this Government I have responsibilities for getting a Bribery Bill on the statute book, but as a senior Minister—not least as one who has had responsibility for the various agencies over a nine year period—I also have a responsibility to ensure that those agencies can operate effectively and sensibly. I hope that Members of the House will not allow the best, in their view, to be made the enemy of the good. We cannot put on the statute book a Bill that, in dealing with one mischief—bribery—creates a worse mischief, undermining the effective, proportionate and lawful work of the agencies. Transparency International said that it believed that the issue about clauses 13 and 10

"should not be allowed to derail the Bill".

That is good advice.

The Bill will put in place a coherent, comprehensive framework of criminal law. It will make it abundantly clear that bribery has no place in this country and that it will not be tolerated in our commercial and other dealings with the rest of the world. Those are aims to which the whole House, I hope, can subscribe, and I hope that we can now get on and pass the Bill. I commend it to the House.

ROYAL ASSENT

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her Royal Assent to the following Act:

Corporation Tax Act 2010.

Bribery Bill [*Lords*]

Debate resumed.

1.25 pm

Mr. Dominic Grieve (Beaconsfield) (Con): In welcoming the Bill and in the light of the comments made by the Lord Chancellor, I do not think that I can start my remarks without echoing the sadness on the Conservative side of the House at the death of Michael Foot. Although, having entered the House in 1997, I never had the privilege of being in the House at the same time as he was, as a schoolboy at Westminster it was my habit as a boarder to slip over the road at 4 o'clock in the afternoon and, my father having given me a very good tea, to go up into the Public Gallery and watch the debates. There is no doubt that one of the most entertaining orators was Michael Foot. I have vivid memories of displays of pure genius at the Dispatch Box.

I was also present a little later at that famous vote when the Government lost their majority in 1979, during the debate on no confidence, when he wound up for the Government in a performance that was simply brilliant, extremely entertaining and mordant—I seem to remember some extremely barbed comments at the expense of the nationalists. It was a great display of political skills. Looking around the House today, one has that rather sinking feeling when one thinks about the eccentricities in his character, which were regarded as great marks of his quality, and the fact that we have perhaps lost something today in that we are no longer capable of accommodating such eccentricities in our political process. In fact, we might be greatly advantaged if we were better able to do so. I echo from this side of the House the remarks made by the Lord Chancellor and say that I can only look back on it as a formative experience in my life to have had the privilege of witnessing Michael Foot in action.

We welcome the Bill, as we have made abundantly clear—and not only in the welcome that, I hope, has been apparent from our interventions. It has been too long in coming. I think that the Government promised in 1997 that we would have such a Bill. I certainly do not criticise the Secretary of State, but we only got something in 2003, there was a consultation in 2005 and the process has dragged on for a very long time.

We now have a Bill, but we also have the anxiety that it is up against the wire of the end period of this Parliament. There must be some public anxiety that it might founder before it can get on the statute book. At the outset, I want to tell the right hon. Gentleman that we will do our best to help to ensure that it gets on the statute book. I would like to think, because of the degree of consensus that surrounds so many aspects of it, it should be possible to do that, although I hope that the Government will listen to some of the hopefully few but nevertheless significant areas of anxiety that we might still have about it.

We also recognise that the issue is very important. International corruption, and national corruption, ought to be of concern to everybody in this House and, indeed, to the wider public. We should be troubled both by the fact that we know that the World Bank's estimates that the sums involved run at $1 trillion annually and by the fact that over recent years the UK has come in for increasing criticism about whether it has sufficiently robust procedures and processes in place to prevent corruption.

The Secretary of State will remember the episode surrounding British Aerospace. I do not wish to get bogged down in a piece of history, but that highlighted very clearly that inadequate procedures were in place to prevent bribery abroad. It also highlighted the fact that the law was so grey in its scope that it was always inevitable, in my judgment, that the Attorney-General and the Serious Fraud Office would come to the conclusion that there was no possible basis on which a prosecution could have been brought in the first place. National security issues are another consideration. Those issues have without doubt redounded to our disadvantage on the world stage. Indeed, as the Secretary of State will be aware, Britain's rating on preventing corruption has slipped consistently in recent years. It is high time that we did something about that.

The Bill is broadly welcome. It covers all the main aspects of bribery and the ways in which it might be carried out, and that is exactly what we need to take matters forward. I certainly do not wish to labour my remarks, and having made a general welcome, I hope simply to highlight the areas about which we continue to be anxious regarding the methods that the Government have adopted.

Let me start with what I recognise to be perhaps the most controversial or difficult area: how consents are given for prosecutions. This is a difficult issue for the House, and there has certainly been anxiety in the past that consents to prosecutions, particularly if they lie in the hands of the Attorney-General, may be manipulated politically, or for some political reason, independently of what the wider interests of justice might be. The Lord Chancellor will know that that is never a position to which I personally subscribe because my view is that previous Attorneys-General, over many years and across many Administrations, have not been tainted by party political considerations or gaining narrow political advantage in taking their decisions, and that they have always found it quite easy to uphold public interest principles.

The problem is that the Government have taken the view, in the Bill, that the necessary consents should lie with the directors of prosecution departments. Rather than assert a standpoint on this matter, I want simply to pose a question. The difficulty that I perceive with the Government's approach is that some such decisions will be of great public controversy and that once such a decision has been taken, particularly one that no prosecution should be brought, we are going to face difficulties regarding public anxiety about how that decision was arrived at and who in this place is answerable for it. The Lord Chancellor will be aware that the buck tends to stop in this Chamber, and it will undoubtedly be the Attorney-General—or, if he is another place, the Solicitor-General, I suppose—who will stand answerable. I wonder whether there would be the advantage that the Liberal Democrats and some others perceive that there would be to leaving final decisions in such cases to heads of departments who are not in a position to answer to the House directly.

I want simply to flag this issue up, and I do so without reaching any conclusion as to where we should go. I know that this matter has been the subject of wider

[Mr. Dominic Grieve]

anxiety. Indeed, the Liberal Democrats tabled amendments to the Constitutional Reform and Governance Bill yesterday, seeking to remove the role of the Attorney-General in all prosecutorial decisions. I happen to think that that is the wrong thing to do. That is not to say that the Attorney-General should have a say in every prosecutorial area, but this area is likely to attract a lot of public attention, and the old principle behind having the Attorney-General take the final decision is that he is answerable to Parliament. We will lose that with the system that we are setting up.

David Howarth: I shall return, in my speech, to the point that the hon. and learned Gentleman raises. The point that I wish to put to him now is that the anxiety about the independence of the SFO, for example, is one of the issues that has been raised—more than once, I think—by the OECD, which is concerned about political interference of any sort in corruption cases.

Mr. Grieve: I appreciate the hon. Gentleman's point, but we cannot easily get away from this matter. Of course, one can set up a prosecutorial system in which Parliament, the Executive and the Government have absolutely no say whatever in any prosecutorial decisions, but I think that is fanciful because, as we have said in previous debates, there are times when public interest elements come into play that make it absolutely essential that someone who is answerable politically should take the final decision. If the choice is between prosecuting someone and having a nuclear exchange with another country, it might legitimately fall to the Executive to take a view. We have had such problems in relation to hijackings; the situation arises on numerous occasions. I repeat that I do not have a concluded view on this. However, my gut instinct has always been that if the person who has to take the final decision has to come to the House and answer for it, that might produce a more robust political and public debate than if someone comes along and says that an independent, permanent official at a very high level has taken the relevant decision, but then be unable to give a better explanation or a better defence. I simply flag that up, but I think that the Lord Chancellor is also aware of this issue.

Mr. Straw: I am grateful to the hon. and learned Gentleman for flagging up that point, which will need further consideration in Committee. My view is that because of the, I may say wholly unjustified, suspicion in some quarters about the role of Law Officers who are also Members of this House—as I believe very strongly they need to be for precisely the reasons of accountability that he raises—it is better to have the authority resting with the relevant directors. Those directors already have a duty to inform the Attorney-General, so it is not as though the Attorney-General would have to explain the matter blind. However, we will look into this issue. May I also point out that a refusal to institute proceedings is, these days, reviewable in the courts, which have, as in many other areas, accepted a jurisdiction in such cases?

Mr. Grieve: Yes, indeed, and it is arguable that it might be neutral one way or the other as to whether it is the Attorney-General or one of the departmental directors who takes such decisions under the system, but it certainly provides a mechanism by which individuals who feel that the decision has been taken wrongly can have it reconsidered.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): My hon. and learned Friend makes some valid points, but I should like to tell him, as someone who has spent a lot of time overseas exporting British goods in Africa and the middle east, that the number of contracts that we lost because some of our European partners were far more prepared to give bribes than we were has been very frustrating at times. Does he share my hope that, if we are passing stringent legislation, discussions are going on in the European Union to ensure that our French and Italian counterparts are introducing similar legislation?

Mr. Grieve: I certainly agree with my hon. Friend. What seems to happen, as the decades go by, is that the world view of countries' propensity to tolerate bribery alters. When I was younger there seemed to be a widespread view that this country was intolerant of bribery and that many foreign countries, including countries in the European Union, were prepared to tolerate it, particularly in the contexts of bribing officials abroad and achieving economic benefits for that state. I seem to remember that it was rather widely suggested that the United States turned a blind eye to the bribery of foreign officials, but it is worth pointing out that, for the most part, all those countries appear to have tightened up their acts considerably. Indeed, it has been argued that the United Kingdom, having started out as a paragon of virtue, has slipped precisely because we have perhaps been rather complacent about some of the changes that were taking place, which we have not properly addressed.

We should bear all that in mind, but I certainly agree that there are two different issues: the laws that we implement and the manner of their enforcement. As our country has a good reputation, on the whole, on enforcing the laws that we enact, I am anxious—as, I am sure, is the Lord Chancellor—that we should not, as a result of enacting and enforcing vigorously the laws that the OECD wants, end up in the position of finding that our European partners are taking a much more lax approach. I certainly endorse the Government co-operating with our fellow members of the EU and the Government of the US in trying to ensure that there is a level playing field. There is no doubt that one reason why the bribery of foreign officials has taken place has been the claim, "Well, if we don't do it, the others will."

Until we get away from that mindset we will not bring about the changes that I think are so badly needed. Although the bribery of foreign officials may not have a direct impact here, we cannot escape the fact that it is enormously damaging to the rule of law and the integrity of the public service in the countries where it does happen. Moreover, because there is often collusion at the highest level, bribery can promote a culture of kick-backs that is not conducive to good commercial relations in the long term across the globe. For all those reasons, therefore, the bribery of officials is a pernicious phenomenon that we would do well to tackle.

I was grateful to the Lord Chancellor for going into detail on a matter that arose earlier—the question of safeguards and the security services, as covered by clause 10. We recognise that the security services must have an exemption: there can be no doubt about that, and not to have an understanding that they must be given that exemption would be to fly in the face of reality. We are pleased that the Government have restricted

the exemption in the case of law-enforcement agencies, and I do not have too many anxieties about the exemptions given to the armed forces, given how they have to operate in reality, certainly in countries such as Afghanistan.

However, I am rather keener on the extra level of protection inserted in clause 10 by the other place. I shall explain why to the Secretary of State, and the matter can doubtless be teased out again in Committee. There is a considerable difference between providing a defence for something, which can be argued in court, and providing a safeguard for a public official who is carrying out a function that he believes he has been specifically told to carry out on the basis that it will not be a criminal offence.

As I am sure that the Lord Chancellor is aware, a person who is prosecuted gets put through a process that is deeply unpleasant, even when it ends in acquittal. That must not be embarked on lightly. However, when an action taken by the security services is authorised as acceptable at the highest level—even though it might otherwise be in breach of this Bribery Bill—it is pretty much inconceivable that the person involved will ever be prosecuted, as the Lord Chancellor said.

If that is the case, though, should not the ability to invoke the safeguard provided as a result of the scrutiny of this Bill in the House of Lords also be retained? I simply flag the matter up, and we can doubtless have a debate about it in Committee. If the Lord Chancellor feels that that proposal would lead to profound problems, we will be able to articulate them in Committee, as this is more a matter for Committee than Second Reading. However, we think that the Bill has been improved marginally in the other place, and that this is one example of that. We would be sorry to lose the provision, unless good reason can be shown for doing so.

I want to return to one matter in connection with clause 7, which provides for an offence of negligence. This House needs to be very careful when creating offences of negligence that can attract substantial penalties. The clause requires systems to be set up but, if those systems are absent, the defence that may exist for a corporation will disappear.

I have no difficulty with that at all. It is clearly a serious matter when commercial organisations fail to prevent bribery, and the architecture of the Bill would collapse if clause 7 did not exist. For those reasons, it has to be there but, as I highlighted to the Lord Chancellor in my interventions, I have some concerns about whether adequate guidance is in place to ensure that commercial organisations are on the right side of the law. In many respects, the provision represents a regulatory aspect of the Bill, and I think that it needs to be included.

I asked the Lord Chancellor about the US, where companies can speak to the Department of Justice and seek guidance on individual payments. That is a regulatory framework and seems to work quite well, but we are not going to have anything like it here. For that reason, it is something that will merit further attention.

Finally, there is one matter that is not contained in this Bill, but which was covered by the draft Bill—the whole issue of parliamentary privilege. The Lord Chancellor and Secretary of State will remember our debates on the Independent Parliamentary Standards Authority last summer. Opposition Members made it clear that we did not think that the criminal offences being created for Members of Parliament were suitable, because we took the view that the matter should properly be dealt with in the Bribery Bill.

We were wholly supportive of the notion that the possible defence of parliamentary privilege that might be invoked to escape prosecution for an offence of bribery should be made unavailable. That has not happened, although I am well aware why the Secretary of State has chosen not to make it unavailable. I think that he took the view that, in light of the Select Committee's report, that approach would be much too controversial and get Parliament bogged down.

It may be that there is a slightly academic element to the argument, particularly in light of everything else that we have done in respect of setting up IPSA. Something in me suspects that such circumstances are unlikely, or will occur only very rarely, but this is unfinished business. To resolve the matter, at some point we will either have to do something in bribery legislation or—and this may be better—introduce a proper parliamentary privilege Act. Neither approach is easy, and I simply suggest to the Lord Chancellor that it might be easier to legislate on an exemption in a Bribery Bill than to have a parliamentary privilege Act, particularly in view of some of the controversies surrounding privilege. Again, I hope that we will be able to look at that when the Bill is in Committee. I am not particularly prescriptive on the subject, but the public will need some reassurance that we are taking the matter seriously in the long term.

I do not intend to take up more of the House's time. I am grateful to the Secretary of State for exposing himself to this private grilling from the Opposition Front Bench as he has responded to the various questions asked. It is a rather uncharacteristic form of debate, but one that is probably very productive.

We wish the Bill well. We will try to ensure that it goes on the statute book in the course of this Parliament, and in a form that commands the widest possible acceptance.

1.47 pm

Hugh Bayley (City of York) (Lab): I congratulate the Government on bringing forward this Bill. I have spent quite a number of years jumping up and down on these Benches to argue the case for legislation such as this, and it is good to see it before the House. I am pleased that it also has the support of the Opposition.

I want to begin by acknowledging the leadership given on this issue by Transparency International UK, and in particular the work done by Graham Rodmell, who worked for the organisation for a decade or so, lobbying this place and advising both me and the all-party panel on transnational bribery on the issues involved. I should also mention the leadership that the present executive director of Transparency International UK, Chandrashekhar Krishnan, has provided.

Transparency International UK sent a brief to Members in advance of this debate. It states that the organisation

"has been urging for a dozen years the enactment of new, effective anti-bribery legislation."

I have been working with it over that period of time, and in 1998 I introduced under the ten-minute rule an International Bribery and Corruption Bill. It sought to incorporate the then very new EU and OECD conventions against bribery into UK law.

Daniel Kawczynski: I am interested to hear about all the work that the hon. Gentleman has been doing on the issue over the past few years, but how much direct interaction has he had with small and medium-sized British businesses that are trying to export to Africa? Has he taken the opportunity to find out for himself the difficult circumstances that they face?

Hugh Bayley: Indeed I have. Attitudes have changed over the decade or longer in which I have taken an interest in the issue. Ten years ago, quite a number of businesses shrugged their shoulders and said that the practice was unpleasant and costly but necessary if they wanted to do business in certain markets, but we are now in a situation in which all the main business organisations are absolutely clear that the United Kingdom, like other developed western economies, needs to take a stand against bribery.

When I introduced my ten-minute Bill 12 years ago, I quoted Adair Turner, the then director general of the CBI, who had said:

"Corruption's become a big issue because it just costs business so much these days."

He was in the vanguard, as many people in the business community at that time did not share his view that something had to be done about the problem. However, attitudes have changed, because in countries with endemic corruption, the Mr. Five Per Cent. became the Mr. Ten Per Cent., and then the Mr. Twenty Per Cent. and the Mr. Twenty-five Per Cent. It became quite impossible to do business in such circumstances.

I agreed with the hon. Gentleman's important point that if we in the UK sign up to high standards in this area, our main competitors need to do the same. However, as the hon. and learned Member for Beaconsfield (Mr. Grieve) said, compared with many countries, we appear to be behind the pack rather than in the lead. The United States introduced the Foreign Corrupt Practices Act some 30 years ago under the Carter Administration. An American business man is prosecuted once or twice a year—it is not a vendetta in any sense—which keeps the issue in the mind of the American public. International bribery is just not acceptable in US business. France introduced legislation to make itself fully compliant with the OECD convention some years ago, and it has a longer track record of successfully prosecuting such offences than the United Kingdom. It is important that we ensure that all major western economies and OECD countries comply, but we would be in a stronger position to achieve that if we were a country with the best kind of such legislation and a strong record of applying it and enforcing it through the courts, when necessary.

When I introduced my ten-minute Bill, I said that there was a comfortable but completely fictitious belief that bribery was not a serious problem in the United Kingdom but was something that affected developing countries such as Nigeria, Pakistan or Zaire, as the Democratic Republic of the Congo used to be called—I know that the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) has worked in such countries as a businessman. However, the problem is that it takes two to tango, and if a corrupt public official in a developing country is demanding a bribe before signing a contract, there must be a bribe-giver, and that person often acts on behalf of a western corporation seeking to sell in that foreign market.

When I introduced my Bill 12 years ago, the hon. Member for Lichfield (Michael Fabricant) spoke against it, as he was entitled to do under the ten-minute rule. He called it "fundamentally naive" and made the point, which has been echoed in today's debate, that if tough legislation is adopted in the United Kingdom but not in other countries, UK businesses will be put at a competitive disadvantage. However, we have discussed that issue, and it is now time for the UK to catch up while continuing to be vigilant so that we ensure that other countries also comply.

Daniel Kawczynski: The hon. Gentleman, like me, is a member of the International Development Committee. He talks about OECD countries, but what about China and some of its conduct in Africa when huge sums are poured in for infrastructure projects in return for oil? Does he think that we can encourage the Chinese to regulate that practice, because their conduct distorts the market in itself?

Hugh Bayley: It would not be a sensible national business strategy if we tried to create markets for our companies by out-bribing the Chinese. We need to bring China into more of the international organisations. For example, it recently joined the World Trade Organisation, since when Chinese business practices have changed significantly. I look forward to the day when China joins the OECD. Perhaps that is not so far away, because it is beginning to work with the organisation, including on this issue. We must make progress towards a better world, rather than falling back into a dog-eat-dog, 18th-century mercantilism through which we all try to obtain a trade advantage by cheating better than other countries.

Mr. David Heath (Somerton and Frome) (LD): May I say to the hon. Gentleman how much I agree with everything he is saying? I pay tribute to his role in bringing about such legislation. He might recall that I had a go when I promoted a Bill that had been passed by another place, yet made no progress.

Given that other countries have been ahead of ours on putting in place such legislation, I cannot understand why there was such delay on the part of the Government. Can the hon. Gentleman throw any light on why the Government have dragged their feet for so long when it is transparently necessary that we bring the UK into line with its treaty obligations and other civilised countries throughout the world?

Hugh Bayley: I pay tribute to the hon. Gentleman for his interest in the issue and the importance of the Bill that he brought from the other place. Of course, I cannot answer on behalf of the Government. I have carried out a large part of my activity in the area since I left government. I have held many meetings with Government Ministers, however, sometimes on a one-to-one basis and other times on a cross-party basis. I have also met officials from the Home Office, the Department for Business, Innovation and Skills and the former Department of Trade and Industry, and the Law Officers. I think that they have, quite genuinely, been trying to craft legislation that will build a broad consensus among the voluntary bodies that take an interest in the issue, such as Transparency International and Corner House, and across the business community, who are the people at the front line who will have to deal with any legislation.

Of course, there has also been consultation with the judiciary, the Serious Fraud Office and other parties. The process has been difficult.

In 2001, fairly soon after the OECD and the EU adopted their conventions, the Government introduced provisions as part of the Anti-terrorism, Crime and Security Act 2001which, for the first time in UK law, made trans-national bribery an offence. It had hitherto been seen as not just a legal but an acceptable and, in some cases, a tax-deductible business practice. So the Government acted relatively quickly—more quickly than those of some other OECD countries—to make trans-national bribery an offence in UK law, in pursuance of the requirements of the OECD convention.

In 2003 the Government consulted more widely on a draft anti-corruption Bill, which was considered by a Joint Committee of both Houses and roundly criticised by the Committee, principally because it retained the existing agent/principal relationship to define bribery. As a result of that criticism, the Government went back to the drawing board and asked the Law Commission to study the issue not once, but twice, and consulted widely on the findings.

The process has been a long one, as the hon. Member for Somerton and Frome (Mr. Heath) observed and as the hon. and learned Member for Beaconsfield said from the Dispatch Box, but the conclusion is a Bill that is fundamentally sound and fit for purpose. We may argue about clause 13 and the exemption of the security services and the armed forces from some of the provisions—I shall say more about that—but I agree with what the Lord Chancellor and the hon. and learned Member for Beaconsfield said: if, in the relatively short time available, we find that we are unable to dot all the i's and cross all the t's, we must not allow that to be a reason why legislation that is extremely necessary and has been very long in coming should not receive Royal Assent before a general election.

Such legislation is not at the top of the list of any Cabinet when it debates what legislation to introduce. Year after year it has been pushed back because other legislation was deemed more politically necessary and more pressing by the Government of the day. Whoever the Government are after the next election—I believe it will be a Government of the same flavour as we have now—there will be the same temptations in a first Session not to bring forward such a Bill. Let us seize the opportunity that we have now. The Bill has been through the other House. Let us get it through this House, after due scrutiny in Committee, and on to the statute book.

I thank Ministers from many different Departments who have met me over the years to discuss the issue. I thank colleagues from all parties who helped to produce "The Other Side of the Coin: The UK and Corruption in Africa", a report that was produced four years ago by the Africa all-party parliamentary group. It made a series of recommendations, to which the Government responded favourably. The Prime Minister considered the report and responded at great length—15 or 20 pages. He responded positively to the group's second recommendation, which was:

"Bring to Parliament before the end of 2006 a new Anti-Corruption Bill which addresses the concerns raised about the 2003 draft Bill by the Joint Parliamentary Committee and the OECD Phase Two Review."

Well, the Government have got there and I congratulate them. The Prime Minister responded by saying:

"The Government remains committed to introducing a Bill in due course",

and now the Bill is here.

The all-party group made some other recommendations which were more speedily implemented. One was to create an anti-corruption champion in the Government, which they did. It was initially the Secretary of State for International Development, then the post moved to the then Department of Trade and Industry. It is now where it probably should be, within the Ministry of Justice. I hope the post is retained to make sure that we get legislation on the statute book and that it is fully implemented.

We also made the point that similar legislation is needed in Crown dependencies and overseas territories. We cannot legislate for that as part of the Bill, because those jurisdictions have their own legislative powers, but it is important that once we can prove that we have achieved what the OECD requires and have a new Bill on the statute book, we have further discussions with dependent territories to ensure that they, too, follow best practice. The good reputation of the United Kingdom is at stake, because they are rightly seen as dependent territories of this country.

Daniel Kawczynski: The hon. Gentleman says that at some stage in the future the Government should have discussions with the overseas and dependent territories so that they have a broadly similar approach to ours, but surely that should be done at the same time. Companies that are concerned about the legislation and wish to continue their former practices could simply leave the United Kingdom and base themselves in one of the overseas territories.

Hugh Bayley: Some companies remain in the United Kingdom and conduct business offshore. The hon. Gentleman raises an important issue. He should join our Committee and champion the cause, but let us not fail to do the right thing ourselves because others are moving more slowly. We need to get the Bill on the statute book. Then we will be in a much stronger position to talk to other jurisdictions and persuade them of the necessity for them to introduce similar legislation.

I should like to make one or two comments on the Bill. In clause 10, the Government propose that the Attorney-General should give up his powers to consent to a prosecution. That is a fundamentally good thing for the Government to do. In the other place Lord Henley queried why the role of the Attorney-General was being so reduced. I do not think that is the case, but it is a good thing that he or she should give up the power. Bribery is an area in which there should not be political influence or even the appearance of political influence. There was great controversy when the Attorney-General advised the director of the Serious Fraud Office that it would not be in the public interest to proceed with a prosecution of British Aerospace. That attracted a great deal of criticism at home and abroad, and there was the suspicion that that was a political decision and that the issues of national security were not as compelling as the Attorney-General had suggested.

[Hugh Bayley]

I do not know what those issues of national security were, nor I suspect does any other Member here, given that the Secretary of State for Justice and Lord Chancellor is not present at the moment. Of course, I may be wrong and the Under-Secretary of State for Justice, my hon. Friend the hon. Member for Watford (Claire Ward), may be fully apprised of the issues in the BAE Systems case. Perhaps there were good reasons why it would not have been in the national interest to prosecute, but the determination was made by a political appointee who attends Cabinet meetings when legal advice is sought, and that allowed people to make the accusation of political interference with the justice system. It is much better to have a paid professional, with tenure and an appointment, making those decisions, and I hope that there is no change to clause 10.

On clause 13, there are circumstances in which our intelligence services, security services and, indeed, military personnel on active service have to provide financial or other inducements, ugly though that may be, to safeguard the security of citizens in this country and, possibly, their own security. The Bill rightly includes an exemption to remove from those who are fighting for our security the threat of prosecution. However, I should not like to see any mission creep, through the defence that will be available to an intelligence officer who seeks important information being used by somebody who procures equipment for our armed forces but resorts to bribery claiming, "This is necessary to provide the best equipment, or a delivery date at the appropriate time, for our forces in the field."

If we allow bribery to play a part in procurement for our armed and security forces, we will undermine our security, because a bribe increases the cost of one's purchases. Some years ago in Pakistan, an admiral was put on trial for spending $540 million on submarines that were worth less than half that figure. The difference of course was the bribe, which he required to sign the contract. If we allow bribery into our procurement system, we increase the costs of the things that we procure and thus reduce the equipment that is available to, and undermine the effectiveness of, our defence or security forces. Importantly, therefore, we must ensure that there is no creep in the scope of the defence in clause 13.

In response to my intervention, my right hon. Friend the Lord Chancellor said that there was no intention to broaden the scope of the clause, and I accept that. He said that the exemption from prosecution of defence equipment procurement under the clause was not just unlikely but wholly improbable, which is a pretty strong reassurance that the Government have no intention of using the clause in that way. I hope that the issue will be discussed further in Committee or, possibly, on Report in order to put more flesh on the bones, because we must send a clear signal to the public and public officials involved in procurement for the armed or security services that the defence that is necessarily in the Bill for certain purposes will not cover defence procurement by any such public official.

I want the Bill to go through. It clearly has all-party support, and with a fair wind it will be on the statute book before the general election. However, looking beyond that, I say to the Government Front-Bench team that once the legislation is on the statute book, good use must be made of it. I am concerned that the Serious Fraud Office, the main investigating and prosecuting agency, does not have sufficient resources to investigate the cases that are reported to it, because of a reporting procedure that was set up in response to the Africa all-party parliamentary group's report. Budgets are tight, but the enforcement of this law is important, and I hope that the Government will ensure that the SFO has sufficient resources to implement it once it has been passed.

It is important to maintain the post of anti-corruption champion within the Government, and I hope that in the Opposition's winding-up speech we receive an assurance of that—in the unlikely circumstances of a change of Government. I should like the champion to report to Parliament, perhaps through a written ministerial statement from time to time, on the performance of the legal process in ensuring compliance with the OECD and EU conventions.

I should like also to see some work with the business community—the CBI and others—to ensure that British business men fully understand the change in the law. I do not want to see dozens of them being taken to court, fined or made to pay a compensatory payment in place of a prosecution. I just want business practice changed, and that is why the Government should work with business to ensure compliance with the law.

The legislation is necessary because bribes add to procurement costs. In private businesses that procure goods, it hits the profit line, and in government it adds to costs without improving public services. It is a problem at home and abroad. Despite the long gestation period, I am delighted that the Government have brought forward this legislation. I shall support it, and I hope that it proceeds swiftly through Committee, back to the Floor of the House and on to the statute book.

2.18 pm

David Howarth (Cambridge) (LD): I, too, welcome the Bill. I pay tribute to the hon. Member for City of York (Hugh Bayley) for his work over the years in bringing us to this point, and to my hon. Friend the Member for Somerton and Frome (Mr. Heath) for his sterling efforts.

In light of what the Secretary of State and the hon. and learned Member for Beaconsfield (Mr. Grieve) said about the late Mr. Michael Foot at the start of their speeches, I should like to share their tributes. He was a very distinguished member of a very great west country radical family, even though his most famous political insult was aimed at the leader of the party that many other members of his family had served for many years. He said of David Steel, in that 1979 debate to which the hon. and learned Gentleman referred, that he had

"passed from rising hope to elder statesman without any intervening period whatsoever."—[*Official Report*, 28 March 1979; Vol. 965, c. 577.]

He will be sadly missed.

As the Secretary of State said, the Bill reforms and clarifies the law on bribery in several important ways. I shall not go through them all, but it is important to realise that the Bill removes many uncertainties in the present complicated mixture of statute and common law. It removes the complications about the relevance or

non-relevance of "principal" and "agent", and those created by the legislation's use of the vague word "corruptly". Importantly, we now have clear definitions; we have a concentration on business and the state and a clear definition of when companies will be held responsible for bribery undertaken by people who are associated with them, including their employees. I understand that the Conservatives have some difficulty with clause 7, but I do not; I think that it is well done, and I hope that it continues its passage unaffected.

Importantly, we now have a separate and clear offence of bribing a foreign official. That is a development of immense significance.

Mr. Djanogly: The hon. Gentleman said that we have a problem with clause 7. Our problem is not with the clause but with businesses not knowing how it is going to work before it is applied to them.

David Howarth: I am glad to have that clarification. That is a significant step forward by the Conservatives from the position put forward at least by their Back Benchers in the other place. If the issue is now only about the content of the guidance, we have made considerable progress, and I welcome that.

The specific offence of bribing a foreign official is of immense importance in the fight against corruption, especially in developing countries. As hon. Members on both sides of the House have implied, there is a clear link between corruption and poverty. To see that link, one need only go to the examples of cases under the existing law. The Mabey and Johnson case, which was settled last year, involved millions of pounds in bribes paid by a construction infrastructure company in third world countries such as Jamaica and Ghana, with accusations relating to a country as poor as Papua New Guinea. It ended up with those countries spending tens of millions of pounds on projects that they could ill afford as a result of bribery. Countries that could not afford to waste a penny ended up wasting millions.

It is clear from the BAE cases that there is a similar problem. Obviously, I cannot go into the detail of the cases that are subject to the injunction that was successfully applied for overnight, so I cannot talk about the South African or eastern European cases. The hon. Member for City of York has already mentioned the Saudi Arabian case. However, we can mention the Tanzanian case, where there is no dispute about what the problem was. In that case, there was a £28 million contract for a military air traffic control system, and a third of that money disappeared into offshore accounts. The problem was not only that the system was out of date and did not work very well, but that it was a military system for a country that did not even have an air force and could have bought a far cheaper and better civilian system. What happened as a result was not only a matter of concern for the public authorities here but of immense concern as regards the waste of resources in a very poor country.

I should add my voice to those who have pointed out that this goes beyond the problem of corruption and the wasting of resources in individual cases. Systematic corruption undermines the market economy in general. A country where bribes are regularly asked for and given is one where, ultimately, economic confidence will collapse and international investment will become very difficult. The problem requires international action in the developed world. The money for corruption comes from companies in the western world, but those companies lobby against legislative action. They say, "Jobs are at stake" or "If we don't do it, someone else will." That is precisely why we have the OECD convention and international co-ordination.

As we heard during the speech by the hon. Member for City of York, the problem is not that Britain is forging ahead and other countries are not doing anything, but quite the opposite. This country has come under pressure from the OECD to improve its performance. In 2008, the OECD said that

"current UK legislation makes it very difficult for prosecutors to bring an effective case against a company".

Other concerns have emerged in the light of the BAE cases.

Daniel Kawczynski: If those are the circumstances, how has BAE Systems been successfully fined hundreds of millions of pounds?

David Howarth: I do not want to go into the detail of that case, because it is now subject to the injunction that I mentioned. BAE has never admitted to corruption—to bribery—and only to technical offences under other legislation. The same is true in the United States. That is because the current legislation has deficiencies that the prosecutors say need correcting to improve the situation.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I think that the House is getting into danger. The case that is being referred to is still before the courts, so it must not form part of this debate.

David Howarth: Thank you, Mr. Deputy Speaker. I was trying to skirt around it as well as I could, but you are absolutely right: we cannot get any further into that without straying into an area where we should not go.

It is good that the Government have got this far with the Bill despite all the lobbying and pressure over the years, but it comes very late in the day. There is a risk, given how far we are into the Parliament, that it will not make it on to the statute book before the end of the Parliament. I hope that that is not its fate and that we are able to get it fully into law very quickly.

There are still some problems that we should discuss in Committee to try to find ways through them. One of those is to do with the role of the Attorney-General. The hon. Member for City of York is right that the Bill removes the consent power of the Attorney-General and transfers it to the directors of the Serious Fraud Office and the Director of Public Prosecutions. That is an advance, and a very good thing, for the reasons that he gave: there should not be political interference in such prosecutions. The OECD is on record as saying that it is worried about the lack of independence in our system. However, the problem remains at a slightly different level. Because the role of the Attorney-General was not reformed during the passage of the Constitutional Reform and Governance Bill, which had its Third Reading yesterday, the Attorney-General retains, despite what is in the Bribery Bill, a power of superintendence over the directors, and that power could be used in a politically motivated way. We still need to go further to protect the directors from that possibility.

[David Howarth]

The hon. and learned Member for Beaconsfield was worried about what would happen to accountability if we did go further, because if the roles were separated out entirely, the Government would be able only to issue public guidance to the prosecutors, and unable to influence individual cases. If an individual case were decided in a particular way—to prosecute or not to prosecute—the Attorney-General would be able to say in this House, "I've given guidance, but it's not up to me to decide how to apply it in a particular case." That is a problem, but to leave the situation as it is, as the hon. and learned Gentleman suggested, would not be a solution. He gave the impression that the Law Officers—the Attorney-General and the Solicitor-General—already have a proper degree of accountability in this House for that sort of decision, but that is not so.

The hon. Member for City of York mentioned the BAE case—the al-Yamamah case—where the previous director of the SFO took the decision not to continue with an investigation. We can see from the correspondence that was published as part of the court cases that the decision was taken under immense pressure from Ministers, from the Prime Minister downwards, but what technically happened was that the director himself eventually took the decision. When it came to the debates in this House and the other place, the Law Officers therefore said, "But we didn't do it. We take responsibility for the letters that we wrote, but it was not our decision in the end." Even in the existing system, that degree of accountability is not in place, so we cannot stay where we are.

The hon. and learned Gentleman rightly mentioned the missing clauses of the Bill about parliamentary privilege. I understand why the Government have placed that in the "too difficult" box, but there is a connection between what happens in this House under parliamentary privilege and the powers and responsibilities of the Law Officers. We have to get that sorted out completely at some stage.

Since we are all agreeing so much, I do not want to say much more, but I do wish to mention the problems that have been raised in relation to clause 13. The original exemption for the armed forces, law enforcement and the secret services was too wide, and I am grateful to the Government for the removal at least of the exemption for law enforcement. However, there are still some problems, one of which was identified in Justice questions by my hon. Friend the Member for Birmingham, Yardley (John Hemming). He pointed out the anomaly that, as clause 13 stands, it will be lawful for a secret service official, in particular, to bribe an official of the French Government but not one of the Scottish Government. That cannot be right.

More serious is the breadth of the immunity given to the secret services in clause 13. Like other hon. Members, I accept that there is a need for some protection, but it is important to remember that our secret services are charged with protecting not just national security but economic welfare. In that regard, it does not seem satisfactory to say, as the Secretary of State did, that it is all very complicated because there are overlaps between the various responsibilities. That does not work as an argument, because all that we need is for one of them to be protected. The problem with the existing draft of the clause is that when the only function being exercised is the economic one, without any overlap, it is entirely possible that that will be sufficient to attract immunity. I would prefer to preclude that possibility, for precisely the reasons that the hon. Member for City of York mentioned. We need to preclude completely any possibility of the clause being used as cover for any sort of arms supply. I suppose that there is an outside possibility of the armed forces provision being used in that way as well.

I wish to mention a problem with clause 13 that I do not believe has been brought up so far. It has so far been discussed in the context of the giving of bribes by the secret services or the armed forces, and one can see the arguments for that. However, it will also protect them from the effect of clause 2, which is about receiving bribes. Clause 2 was not properly discussed in the other place, so we have not yet heard a proper explanation as to why it is necessary for there to be a general legal protection on receiving bribes and for what purpose it is a good idea for our armed forces to accept bribes. I ask the Government to consider that in Committee.

This is a good Bill, although it needs some more tightening. I am happy to say to the Government that we will support them in any amendments that tighten it, and in resisting any attempts to loosen it. I wish to end, as the hon. Member for City of York did, on money. Improving the law is a very good thing, but the law by itself is not the same as an effective policy. For that, it is necessary for the authorities that are charged with the responsibility of enforcing the law to have the resources that they require. This might be wrong, but I am informed that for the past 12 to 18 months, the Serious Fraud Office has received not one penny from the Treasury for its anti-corruption work, and is transferring money internally from its anti-fraud work to its anti-corruption work. That is not satisfactory, and I want an assurance from the Government that the SFO and all the relevant authorities have the Government's real backing, not just through the changes to the law in this excellent Bill but through providing the resources that they need to do their job.

2.36 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I apologise to you, Mr. Deputy Speaker, and to the House for not having been here at the start of the debate. I was held up with some constituents.

I start by applauding British exporters for the tremendous work that they do around the world. There are many men and women who have set themselves up in business and who help with our balance of payments deficit by finding new markets overseas and navigating difficult red tape and bureaucracy in doing so. I spent 10 years of my life exporting British goods abroad, and I enjoyed it greatly. Unfortunately, we are not exporting as much as we should be, and we have a huge trade deficit, as all Members are aware.

My favourite expression in politics is that business is the workhorse that pulls the social welfare cart, and I am always slightly concerned about more legislation interfering with people's ability to do their job. I say unequivocally at the outset that I am very much anti-bribery and applaud the cross-party consensus that bribery is wrong. It frustrated me greatly in my career exporting

to Africa, and I am pleased that we are taking action. However, I will be concerned if we are gold-plating the Bill and moving further and quicker than some of our European partners or other countries, to which I shall come a little later.

We are not a nation populated by people who bribe. I disagree very much with the hon. Member for Cambridge (David Howarth), who says that the only reason why we are legislating is that the OECD is twisting our arm. In my experience of exporting to Africa and the middle east, I always found my fellow British business people and other British companies to be arguably the least likely to bribe. It is inherent in the nature of the British character to play fair and play by the Queensbury rules. That may sound rather old-fashioned, but it is the truth. We tend to behave appropriately overseas in our financial transactions, and I cannot say that about all the other foreign people whom I have come across when I have been competing against them in Africa and the middle east.

In the course of my 10 years, I never even considered giving a bribe, and I never knew anybody else in my company who did. However, I did come across aspects of bribery by the French, Germans and Italians. I am being told that those countries have since tightened their regulations, but have they? Will the Minister say how much the courts and Ministers in those countries are actually implementing those new regulations? I hope she can enlighten me on that and that she is working closely with the European Union to ensure that basic standards are applied throughout the EU.

I reiterate that I simply do not want British firms to suffer as a result of the Bill. We have been told that we are not allowed to talk too much about BAE Systems, so I will not, except to say that as chairman of the all-party Saudi Arabia group, I am extremely concerned at how the media sometimes tend to blow up out of all proportion various delicate issues that are intrinsic to our country without referring to anything specific. I hope that the media act more responsibly when reporting matters such as bribery, because such reports do tremendous damage to our relations with countries such as Saudi Arabia.

I feel passionately about exports to the Gulf states. I have spoken on many occasions with King Abdullah of Saudi Arabia about how to increase our exports to that country. He has informed me that the £5 billion-worth that we currently export is negligible in comparison with our European competitors. He is desperate for Britain to diversify trade with his country away from purely military components, and to increase bilateral trade. I am therefore a little bit worried. I have come here today to seek an assurance from the Minister that the Bill will not hamper British businesses that try to export.

I make no apologies for saying that British businesses are charged a great deal of money for using British embassies. British companies that want to use the British embassy in Riyadh are charged—I believe—more than £3,000, yet many of their competitors do not have to pay that to use their country's embassies. There are not enough resources such as commercial attachés in our embassies to help our businesses to export. I spoke just this week with the Leader of the Opposition about the importance of a future Conservative Government, should we be elected, having a trade delegate—a representative of the Prime Minister—to the middle east.

The hon. Member for City of York (Hugh Bayley) said that he very much hopes that China will join the OECD, and that countries such as China and other developing nations will be bound by the new regulations and aspirations on bribery and the conduct of businesses and Governments. I hope the Minister and the Government discuss with China the possibility of it joining the OECD and do everything possible to encourage and help it to do so, because it is imperative that the Chinese behaviour in Africa is stopped.

I will never forget meeting the dictator of Sudan, President Omar al-Bashir, to talk to him about human rights abuses in Darfur and Sudan. Everywhere we went, there were all sorts of Chinese constructions. China was pouring massive amounts of money into Sudan to monopolise the market. While we are acting responsibly as a nation and refusing to trade with Sudan as long as those human rights atrocities are carried out, China basically monopolises the market to secure Sudanese oil, making it almost impossible for British businesses to secure business in the country. That is important.

Lastly, I reiterate what I said at the beginning of my speech on Government snooping. A lot of business people in my constituency say, "Look, the only reason we're still here in Shropshire is that we feel passionately about our county. We're thinking with our hearts rather than our minds, but if we were thinking with our minds, we would've shut up shop a long time ago and set up business in China, India or some other place where we do not face such huge levels of red tape, bureaucracy, interference and form filling." I hope the Bill is not yet another example of more Government red tape and interference. There must be sufficient evidence before the appropriate body interferes and initiates cases against businesses.

I hope the Government are cognisant that British business is already desperately struggling to compete internationally in this very competitive globalised world. I do not want the Bill to hamstring them even more.

2.45 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): I add my respects to those of previous speakers on the death of Michael Foot, who was the dominant Labour personality when I first became involved in politics.

The quality of contributions to the debate has been high, and I congratulate the hon. Members for City of York (Hugh Bayley) and for Cambridge (David Howarth), and my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski), on theirs. We are also thankful for the very productive format of allowing interventions that was offered by the Lord Chancellor in his initial remarks.

As my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) said, the Conservatives welcome this Bill and have been urging its introduction for many years. It was good to hear that all parties welcome it. It makes a refreshing change to speak on legislation that will not only reduce the number of the laws on the statute book, but update statute and case law, much of which is based on 19th century practice and in need of urgent upgrade.

International corruption is not acceptable in the modern age. We acknowledge, as the hon. Members for City of York and for Cambridge did, that it is now generally

[Mr. Jonathan Djanogly]

held that the UK has fallen behind the curve in dealing with bribery, and that our Transparency International corruption perception index is at all-time low. Conservatives believe that that needs urgently to be addressed.

Without doubt, the outstanding feature of the Bill has been the delay in its arrival. I believe that as far back as June 1998, the Government first published a paper on the consolidation and amendment of the Prevention of Corruption Acts. Although a draft Bill was first published by the Law Commission in March 1998, only now, more than a decade later—in the last throes of this Labour Government—are we finally seeing some action. Let us face it: things have been touch and go, as they will remain until the Bill is enacted.

The Law Commission submitted a reworked version of the draft Bill in March 2009, which has more or less been adopted. The commission deserves much praise for its work. The Bill was then scrutinised by the Joint Committee on Consolidation Bills, on which I was happy to serve under Lord Colville. The Committee was most unhappy that it was as time-constrained as it was. With adequate time, I have no doubt that we would have been better able to investigate the wider applications of the Bill as well as the law.

However, as I said, the Conservatives welcome the Bill. In particular, we are pleased that its implementation will finally make the UK compliant with the 1997 OECD anti-bribery convention. Accordingly, notwithstanding our unhappiness with the process, we shall support it on Second Reading. I like to think that reaching Second Reading has had something to do with the fact that we have called for the Bill for years. However, I suspect, as the hon. Member for Cambridge did, that the Bill's progress has more to do with the US Department of Justice and the OECD putting significant pressure on the Government for Britain to comply with its international obligations.

The debates in the other place were thorough and informed. I am indebted to Lord Henley, and other noble Friends and Lords, whose experience has made an invaluable contribution. However, we will wish to raise in Committee a number of important issues that have arisen in today's debate and debates in the other place.

One issue is that in a wide range of circumstances, the application and enforcement of the Bill will depend on the discretion of prosecutors. That was raised again and again in the other place and today. It needs to be recognised that that is a key concern of those looking for certainty, especially those in business. The position of business, and support for our exporters, was admirably advocated by my hon. Friend the Member for Shrewsbury and Atcham.

In many cases, we are not yet satisfied that the Government have fully tied down this issue and we will wish to discuss that more fully in Committee. The International Chamber of Commerce has provided the example of hospitality payments. On the one hand, the Government have recognised the importance to business of bona fide promotional expenditure, but on the other, the question of where a line should be drawn on this issue is still unclear. Indeed, there is continued uncertainty as to whether a line should be drawn at all. We were pleased to see that the requirement for guidance was made statutory in the other place. Guidance will doubtless be crucial to allow companies to understand what will be acceptable under the new laws. However, the problem is—the Government admitted as much in the other place—that there will always be borderline cases that may inadvertently fall within the definition of "bribery". The difficulty for business is obvious. It is not correct to expect that businesses should instruct employees that a certain course of action, while theoretically falling foul of the legislation, may nevertheless proceed because prosecution is unlikely. The risk is that, in striving for a clear message in combating bribery, the effect of the Bill—if the guidance does not work—could actually be to confuse the situation yet further.

I was pleased to hear from the Lord Chancellor that consultation on the guidance is now well advanced. It will be important, when the Government produce the guidance, that business is consulted closely and allowed to contribute to its content. As my hon. and learned Friend the Member for Beaconsfield said, the guidance must clearly be in place prior to the offences becoming available. I was also pleased to hear the Lord Chancellor's confirmation that that will be the case. The Government will also need to explain the position to business to help all concerned, and I would be grateful if the Minister, in her concluding remarks, could identify how the Government intend to do that.

A serious outcome of this possible ambiguity is a danger that UK companies could be disadvantaged compared to foreign competitors, as my hon. Friend the Member for Shrewsbury and Atcham said. For example, in the United States, a company can seek a public ruling from the Department of Justice in case of doubt regarding a payment. However, such a system has been rejected by the Government as being "inconsistent" with traditional practice. This argument was used by the Government several times in the other place, but I found it somewhat counter-productive and counter-intuitive. Indeed, the same argument could be used to say that the concept of "corruption" should be retained as the Bill's use of "improper" conduct is also inconsistent with traditional practice. The fact is that this Bill is creating new law which will inevitably be tested in the courts, and we should just accept that and look to deal with the consequences of it—both intended and unintended.

It is also important that the issue of how the Bill will overlap with related legislation be considered in greater detail. Under the Bill, a company found to have engaged in bribery under clause 11(2) may be liable, if convicted on indictment, to an unlimited fine. Many businesses we have spoken to are worried that this will not be the end of the matter. Indeed, there are concerns that further action may be taken against companies under the proceeds of crime legislation. That legislation was designed to deprive individual defendants, particularly drug dealers and organised criminals, of the benefits of their criminal conduct. However, if companies convicted of bribery are fined were and then also caught by the proceeds of crime legislation, they will face serious financial penalties that could in some cases see them put out of business entirely. We will seek clarification in Committee on policy on this issue and on the use of the measures under this Bill and other existing legislation. To what extent will civil remedies be used? Does the existing legal framework support the desired use of plea bargaining? Will other laws hold up deals being made?

Those are important issues—my hon. and learned Friend also raised many of them—and they should have been addressed much earlier in this Parliament.

Some prosecution issues will be of political importance, and we will wish to investigate whether the authority to prosecute should lie with the various directors specified in the Bill or, as colleagues in the other place maintained, remain with the Attorney-General. That point was addressed by the hon. Members for City of York and for Cambridge, who were keen to put the OECD's position forward. But as others have noted, especially in the other place, that does not cater for the traditions of our own constitution. I am sure that further interesting debates will be had on this point. However, the Bill also raises various practical issues, such as which prosecutor should take the lead and in what circumstances. That remains unclear.

If the Bill is passed, the UK will have among the strictest bribery laws in the world. Consequently, we have been told that there is a real danger that UK businesses could be put at a competitive disadvantage when compared with international businesses whose domestic bribery laws will be less strict than our own. I have seen the rather flimsy anti-bribery strategy rushed out by the Lord Chancellor a few weeks ago, and I remain to be convinced that the Government understand how important this issue is. In that regard, the Minister needs to address the concerns of CAFOD, Transparency International, Tearfund and others, such as the hon. Members for City of York and for Cambridge, who are concerned to ensure that the Government intend to provide sufficient funds for the effective investigation and prosecution of bribery offences. As my hon. and learned Friend said, it is very important to ensure that the UK, in modernising its bribery laws, does not end up shooting itself in the foot in the way explained very clearly by my hon. Friend the Member for Shrewsbury and Atcham. That danger is that contracts will be lost because others bribe when we do not. To do this, serious pressure will need to be exerted on other countries to follow our lead and introduce tougher bribery laws of their own—and to enforce them.

We will wish therefore, in Committee, to review how the Government will make it a priority to put pressure on other countries to follow suit and strengthen their own bribery legislation. There are other international aspects to this, such as the EU procurement directive. The directive appears to be very rigid in that any company found to have been involved in instances of bribery must be permanently disqualified from the procurement process. Hon. Members will be able to see the problem with that. On the one hand, UK companies will be subject to the strictest bribery laws to be found anywhere in the world, but on the other, any company caught by these laws could be prevented from applying for procurement contracts. Companies are understandably very nervous about the huge impact of falling foul of the regulations, concerns that are compounded by the fact that many of the Bill's provisions remain unclear and are reliant on guidance that has yet to appear.

By contrast, the position in the United States seems to be more flexible. Although disqualification provisions do apply, different degrees of sanctions for fault are recognised and, importantly, it is possible for such a debarment to be lifted after a period of time. Will the Minister explain the Government's discussions with EU officials to determine what effect, if any, an offence under clause 7 of the Bill will have under the directive?

On a separate point, there is continued ambiguity on the issue of consortiums and businesses' potential responsibility for the acts of their agents and "associated persons". The issue was raised by the International Chamber of Commerce. It is often the nature of international businesses to operate in joint ventures. The point was raised in the other place that a company, even though it may have no control over a joint venture partner, may none the less be caught by the provisions of this Bill due to that partner's conduct. Although the Government have attempted to explain away the problem by stating that the degree of control would be one of the circumstances to be taken into account when deciding whether an offence had been committed, it is not clear that that comfort would be effective in law.

The ICC has pointed out to us that the current wording in the Bill makes it clear that the circumstances that may be taken into account are those that are decisive for the question of whether services are being performed. Indeed, the relationship between the company and the associated entity is expressly excluded. This conflict gives rise to further uncertainty for business, and it is therefore evident that this question of businesses' responsibility for the actions of such partners and agents needs to be resolved.

It is clear also from the contributions of the Lord Chancellor, the hon. Members for City of York and for Cambridge and my hon. and learned Friend that there are ongoing concerns about defences for intelligence services and our armed forces. As my hon. and learned Friend said, we were generally satisfied with the narrower definition agreed in the other place, but we will have to return to the matter in Committee.

There are evidently a number of outstanding issues that the House needs to address over the coming weeks. We certainly believe that it is a good Bill, but as I have indicated, there are areas of continued concern that will need to be reviewed. The tiny number of prosecutions to date for overseas bribery shows that our law in this area requires updating and enforcing, but in strengthening the UK's bribery laws to combat corruption, it will be vital that the ability of UK companies fairly and legally to compete commercially and on the international stage is not impaired. That is the balance that we look to achieve over the coming weeks.

3.1 pm

The Parliamentary Under-Secretary of State for Justice (Claire Ward): We have had an interesting debate with contributions from both sides of the House that in essence welcome this important piece of legislation. I welcome the fact that it has cross-party support, although no doubt in Committee there will be one or two differences of opinion. It is possibly best described, as it was in another place, as a love fest for all parties in support of the Bill. The Bill will provide modern and effective legislation to deal with bribery, whether committed at home or abroad. Its comprehensive scheme of bribery offences represents a formidable deterrent against bribery and is capable of meeting the challenges of today's complex world of international commerce.

[Claire Ward]

We understand that this matter can be difficult, but I want to respond initially to the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) and make the point that the UK's reputation is strong. The UK is recognised as one of the least corrupt countries in the world. We are the joint 17th least corrupt out of 185 countries in Transparency International's 2009 corruptions perceptions index, with British companies seen as cleaner than their French and American counterparts. We are also equal fifth least likely to pay bribes out of 22 countries in Transparency International's 2008 bribe payers index. However, we must not be complacent about what happens in some companies and ensure that we continue to maintain a strong reputation. Once enacted, the Bill will enable us to do that.

Members on both sides of the House have raised a number of important points, some of which I would like to deal with now. I am confident, however, that those not picked up today will be dealt with in more detail in Committee; it appears that there will be ample opportunity to do so then. Initially, however, I wish to pay tribute to my hon. Friend the Member for City of York (Hugh Bayley) and his work in supporting a high level of commitment to achieving the highest standards of business and to ensuring that we remove opportunities for bribery and corruption. I join him in paying tribute to work of Transparency International, with which we have worked closely in developing the Bill.

Members have suggested that the Bill has had a long gestation period—even longer than an elephant's—but it has the overwhelming support of both sides of the House and is much better than when it was first considered in its draft form. The problems with the initial proposals in 2007 meant that the Joint Committee could not accept much of the basic premise of the Bill; having to do with principals and agents, and that is why it had to be referred back to the Law Commission for further consideration. Its contribution has ensured that the Bill can, I believe, make it on to the statute book with all-party support.

Members have raised a number of issues, and I want to deal initially with the point about the Attorney-General and prosecutorial discretion. The hon. and learned Member for Beaconsfield (Mr. Grieve) was concerned about some aspects of that, and the hon. Member for Huntingdon (Mr. Djanogly) raised similar points. They asked how prosecutors would be guided in deciding whether to bring a prosecution for bribery and in ensuring that there is some understanding and certainty for business. Whether a case is dealt with by the Crown Prosecution Service or the Serious Fraud Office, all prosecutions are subject to review under the principles in the code for Crown prosecutors, which requires the prosecutor to apply an evidential and a public interest test.

Where there is sufficient evidence for a realistic prospect of conviction, prosecutors must consider whether a prosecution is required in the public interest. A prosecution will usually take place, unless the prosecutor is sure that public interest factors tending against prosecution outweigh those in favour, or that the public interest may properly be served by offering the offender the opportunity to have the matter dealt with through an out-of-court disposal. Each case must be considered on its own facts and merits, but the more serious the offence, the more likely it is that prosecution will be needed in the public interest.

Mr. Grieve: The Minister will be aware that I highlighted the regulatory nature of the Bill. Clause 7 is entitled "Failure of commercial organisations to prevent bribery". Earlier, I used the word "negligence", but that probably was not strictly right. It is in fact a strict liability offence tempered by a defence, the burden of which is on the defendant to show that they had adequate procedures in place. As with the Health and Safety Executive, that places a great burden on the regulator or prosecutor in deciding where the public interest lies, particularly, for example, where it might consider that the company has made real efforts to improve its performance in this area.

Claire Ward: And those issues must of course be a matter for the prosecution. Bribery is a serious offence, but in deciding whether to prosecute, prosecutors will take all those factors into account and weigh them appropriately. They might take into account whether the loss or harm can be described as minor; whether it was a single incident; whether it was a matter of misjudgment; or whether the offence was committed as a result of a genuine mistake or misunderstanding. The prosecution must consider all those factors before deciding whether to proceed.

Members have also mentioned the consequences of replacing the requirement for the Attorney-General's consent to a prosecution under the Bill with that of the director of one of the prosecuting authorities. Clause 10 provides that responsibility for granting consent to a bribery prosecution will rest with the directors of the relevant prosecuting authorities. For offences under the Bill, we consider that to be the appropriate level at which such a judgment should be taken on the basis of what I have already said about the factors that they need to take into consideration. The Joint Committee agreed with our judgment.

We fully recognise the constitutional importance of the Attorney-General's position and the need to maintain effective parliamentary accountability for the operation of the prosecution services, but the Attorney-General will continue to have a fundamental role in those matters. The protocol between the Attorney-General and the prosecuting authorities published last July sets out the circumstances in which the Attorney-General will be consulted and how the Attorney-General and directors will engage with one and other.

The protocol serves to underline the fact that the directors of the prosecuting authorities exercise their statutory functions under the superintendence of the Attorney-General, who is responsible to Parliament for those directors' functions in relation to prosecutions. The Attorney-General is responsible in turn for safeguarding the independence of prosecutors in taking prosecuting decisions.

The hon. Member for Cambridge (David Howarth) asked whether there would still be opportunities for the Attorney-General to interfere, as he put it, in cases that involved national security. The only type of case in which the Attorney-General would consider directing

that a prosecution not be started or not continue—or, in the case of the SFO, that an investigation not take place or not continue—would be one in which the Attorney-General was satisfied that it was necessary to do so for the purpose of safeguarding national security. Again, it is important to take the protocol into account.

When national security is under threat, the Government consider it right that the Attorney-General, having consulted other Ministers, should have the power to halt a prosecution or an investigation carried out by the Serious Fraud Office. It will be the Attorney-General—after consulting other Ministers—and not necessarily the prosecuting authorities who will have the significant relevant expertise in that area. The Government still expect most such cases to be settled by way of discussions between the Attorney-General and the relevant prosecutor. Only in rare cases would it be appropriate for the Attorney-General to give such a direction.

David Howarth: Is the Minister satisfied that the OECD will find that arrangement satisfactory, given its concern about the independence of the SFO in the light of the al-Yamamah case?

Claire Ward: Without wishing to get into a discussion about a case that is still subject to the courts, I would say to the hon. Gentleman that we believe it appropriate, in those exceptional cases where it is a matter of national security, for the Attorney-General to have the ability to intervene where appropriate.

Let me turn now to facilitation payments. There was some discussion about the extent to which facilitation payments, of whatever size, large or small, would still be classed as bribery. The reality is that facilitation payments, no matter how big or small and no matter what they are called, still amount to bribery. We have not included an exemption for such payments, despite what might happen in the rest of the world, including in the US, under the Foreign Corrupt Practices Act. There is no exemption in our existing legislation for facilitation payments. The Joint Committee agreed that facilitation payments should continue to be criminalised, saying:

"A specific defence risks legitimising corruption at the thin end of the wedge."

We share the Committee's view that, in general, the Bill must prevent individuals from relying on local customs to justify corrupt practices or considering small facilitation payments to be appropriate.

Tackling petty bribery is a key element of changing the culture of corruption, which is so corrosive, particularly in developing economies. We recognise that many UK businesses still struggle with petty corruption in some markets, but the answer is to face the challenge head-on, rather than carve out exemptions that draw artificial distinctions, are difficult to enforce, and have the potential to be abused. Providing exemptions for facilitation payments, as the US does, is not a universally accepted practice, and not something that we consider acceptable.

The hon. and learned Member for Beaconsfield also talked about clause 10 and the amendment made in the other place. I am sure that we will return to that issue in Committee, but as my right hon. Friend the Justice Secretary set out in his opening statement, we will propose a further significant safeguard to address the concerns that were raised in the other place. We recognise the concerns about the use of the proposed defence, as well as those raised in this debate. We will propose that there should be a statutory duty on the heads of the intelligence services and the armed forces to ensure that appropriate arrangements are in place to ensure that conduct amounting to an offence under the Bill takes place only when the defence applies. Those arrangements would then be subject to approval by the relevant Secretary of State. That requirement will provide direct ministerial oversight of the internal arrangements put in place by the intelligence services and armed forces. For that reason—along with that given earlier by my right hon. Friend the Justice Secretary—we cannot accept clause 10 as amended in the other place.

The hon. and learned Gentleman and the hon. Member for Cambridge both referred to parliamentary privilege and the fact that it is not specifically mentioned in the Bill. It is common ground that MPs should not be above the criminal law. However, the Joint Committee on the draft Bribery Bill argued that any evidential problems in relation to bribery offences should be dealt with in a separate parliamentary privilege Bill. In the light of the Joint Committee's conclusions, we decided against including provisions in the Bill on parliamentary privilege. Given the recent institution of criminal proceedings against three Members of this House, we believe it would be appropriate to wait and see what the court has to say in this matter before deciding whether to proceed with any further such legislation.

My right hon. Friend the Justice Secretary has given a good explanation of why we inserted a statutory requirement into the Bill in the other place to produce guidance in respect of the clause 7 offence. We understand that businesses are looking for better guidance and a little more detail on how such offences might apply. We have also given a commitment that such guidance will be in place before the Bill is enacted and the offence comes into play. We are in discussions with business and various industries on that guidance, but it is fair to say that many industries already have good governance arrangements and strong guidance in place. We look to work with a range of companies to find the best of that guidance and build on it. I trust that the hon. Member for Huntingdon will question me further on that in Committee.

The hon. Gentleman also asked whether the offence of failing to prevent bribery would trigger article 45 of the EU procurement directive, which requires the mandatory exclusion of suppliers for public procurement contracts for services, supplies and works. We are giving active consideration to whether conviction for the new corporate offence of failure to prevent bribery—the clause 7 offence—would require mandatory exclusion under the directive. That is not a straightforward issue, and there are a number of complex points that we need to consider. There is obviously a difference of view among European Union member states on how some aspects of the directive are being applied, but we will continue to look into the matter in further detail before coming to a view on it.

The hon. Gentleman also asked about the application of the failure to prevent bribery offence to the activities of joint ventures and similar corporate structures over which a company does not have full control. Our purpose is clear: to encourage all those involved in joint ventures and similar business structures to satisfy themselves that adequate procedures are built into their governance

[Claire Ward]

arrangements. An organisation will be convicted of an offence under clause 7 only if a person performing services on its behalf bribes another to obtain or retain business for that organisation. It is possible for one person or a number of people to perform services on behalf of more than one company. It will depend on the particular circumstances of the case, but it may be that a bribe by a person performing services for one company in a joint venture is rightly regarded as being paid in connection with the business of any of the companies involved in that venture. Equally, it may be the case that, on the facts, the necessary connections are not present to establish liability under clause 7 if a bribe is paid in the context of a joint venture. Ultimately, it will be a matter for the courts to determine where liability stands.

I trust that I have responded to most of the main points made by hon. Members in what I think has been a particularly good debate, in large measure because the Bill has backing and support across the House. I believe that we can, with commitment, get the Bill through the House, despite time pressures, and I trust that our opportunities to debate and consider further details in Committee will in no way hamper the Bill, which is essential to maintaining the UK's credibility as a country at the forefront of fighting bribery and corruption. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

BRIBERY BILL [*LORDS*] (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Bribery Bill [Lords]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 25 March 2010.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—*(Mary Creagh.)*

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6))

CHURCH OF ENGLAND (MISCELLANEOUS PROVISIONS) MEASURE

That the Church of England (Miscellaneous Provisions) Measure (HC 207), passed by the General Synod of the Church of England, be presented to Her Majesty for Her Royal Assent in the form in which the said Measure was laid before Parliament.—*(Sir Stuart Bell.)*

Question agreed to.

Queen's and Prince of Wales's consent having been signified—

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CROWN BENEFICES (PARISH REPRESENTATIVES) MEASURE

That the Crown Benefices (Parish Representatives) Measure (HC 209), passed by the General Synod of the Church of England, be presented to Her Majesty for Her Royal Assent in the form in which the said Measure was laid before Parliament.—*(Sir Stuart Bell.)*

Question agreed to.

Queen's consent having been signified—

Motion made, and Question put forthwith (Standing Order No. 118(6)),

VACANCIES IN SUFFRAGAN SEES AND OTHER ECCLESIASTICAL OFFICES MEASURE

That the Vacancies in Suffragan Sees and Other Ecclesiastical Offices Measure (HC 208), passed by the General Synod of the Church of England, be presented to Her Majesty for Her Royal Assent in the form in which the said Measure was laid before Parliament.—*(Sir Stuart Bell.)*

Question agreed to.

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, we shall take motions 6 to 12 together.

Motion made, and Question put forthwith (Standing Order No. 118(6))

LOCAL GOVERNMENT FINANCE

That the Local Government Finance (England) Special Grant Report (No. 130) on the grant to be paid towards the cost of implementing the new statutory minimum bus travel concession in England (House of Commons Paper No. 306), which was laid before this House on 28 January, be approved.

EUROPEAN UNION

That the draft European Union (Definition of Treaties) (Stabilisation and Association Agreement) (Bosnia and Herzegovina)) Order 2010, which was laid before this House on 3 February, be approved.

COMPETITION

That the draft Competition Act 1998 (Land Agreements Exclusion Revocation) Order 2010, which was laid before this House on 21 January, be approved.

REPRESENTATION OF THE PEOPLE

That the draft Service Voters' Registration Period Order 2010, which was laid before this House on 26 January, be approved.

HUMAN FERTILISATION AND EMBRYOLOGY

That the draft Human Fertilisation and Embryology (Disclosure of Information for Research Purposes) Regulations 2010, which were laid before this House on 26 January, be approved.

That the draft Human Fertilisation and Embryology (Parental Orders) (Consequential, Transitional and Saving Provisions) Order 2010, which was laid before this House on 26 January, be approved.

That the draft Human Fertilisation and Embryology (Parental Orders) Regulations 2010, which were laid before this House on 26 January, be approved.—*(Mary Creagh.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)).

FINANCIAL SERVICES

That this House takes note of European Union Document No. 15049/09 and Addenda 1 to 3, Commission Communication on an EU framework for cross-border crisis management in the banking sector; and endorses the Government's approach in agreeing the framework for cross-border crisis management.—*(Mary Creagh.)*

Question agreed to.

Proposed Poole Bridge

Motion made, and Question proposed, That this House do now adjourn.—*(Mary Creagh.)*

3.23 pm

Mr. Robert Syms (Poole) (Con): It is my privilege to introduce this debate. I have the privilege of representing the borough of Poole—or, at least, two thirds of it, as a third is in the constituency of the hon. Member for Mid-Dorset and North Poole (Annette Brooke). Poole is a successful and vibrant place, but it does not always have the infrastructure that it deserves on the basis of its growth over the last decade.

I have always been aware of certain problems with infrastructure in the borough. My constituency is divided, in that Hamworthy is virtually an island, linked to the hon. Lady's constituency in Upton, and the rest of the borough is separated by water, linked by a lifting bridge that was built in 1926 which does a reasonable job for most of the year. As the port of Poole is in Hamworthy—the port is the second or third in the south-west—an awful lot of traffic has to go over that small bridge through the borough or, indeed, up the Blandford road through Upton in the adjoining constituency.

Through a number of schemes over the years, the local authority—a good one, with good officers and good members—has tried to improve the borough's infrastructure, improve communication with the port and take advantage of the fact that it a beautiful place. A great deal of land is under-used, next to water, and it could become an area for development.

When I was first elected, there was a proposal in the national road scheme for a bridge over the A350. It was to be quite an expensive project, and it did not survive the first cull of projects by the new Government. That left Poole with the problem of what to do. Two or three years after that, the council produced a new proposal for a second lifting bridge, called the twin sails project, which would link Hamworthy with West Quay road and allow a large redevelopment of parts of the south of Hamworthy, where there was an old power station site, providing a tremendous opportunity for waterside development.

The proposal would not be a complete answer to the transport problems, but it would certainly help my constituents in Hamworthy, because the 1926 lifting bridge takes substantial maintenance. It is sometimes closed in the summer months for two or three weeks and my constituents in Hamworthy spend a considerable time driving through the constituency of the hon. Member for Mid-Dorset and North Poole in order to get to the main part of the borough. A journey that should be five minutes can sometimes be a journey of half an hour, which is greatly to the disadvantage of my constituents.

The borough produced a lifting bridge scheme and the Government's initial reaction was that they were not going to pay for it, as it should be a private finance initiative. The project was delayed while the council, under the leadership of Brian Clements and Jim Brooks, the then chief executive, looked into the PFI prospects, but decided that it would not be possible.

There was a prospect of quite substantial private sector funding for the development, so we put in a bid to the Department for Transport for a grant. That was

[Mr. Robert Syms]

progressed, and in one of the bid procedures the Government said that they were willing to put £14.14 million into the scheme. The entire project will cost about £37 million and the balance of the funds will come from the development of housing, businesses and other sites in lower Hamworthy. The design is exciting. It is to be a twin sails lifting bridge, and we have now gone through all the permissions and agreements. Twelve months ago, when early delivery of the scheme was looking a little difficult in the prevailing economic circumstances, the council took the brave decision to secure a £10 million loan from the regional infrastructure fund for that priority project.

By the end of November 2009, the council put itself in the position of advising the Department for Transport that the scheme had been tendered and that procurement could commence immediately, subject to the approval of the grant. All the signs from the Department for Transport were positive. All the way through the project, the signs from the Government office for the south-west were also positive, and the council arranged a special meeting in the first week of January in order to proceed with the project and the approvals.

We all know that the country's economic situation has changed somewhat, and that there will be pressures on whoever is in government after the next general election. Nevertheless, we were a little disappointed that we did not get our permissions. The Department for Transport was considering its overall capital programme, and as I understand it, referred our project to the Treasury. That is where we have been stuck for a couple of months. Because tenders have come in, because all the permissions are in place and because works have already been scheduled, every bit of delay adds extra cost. Moreover, there comes a point at which, if the delay is too long, the viability of the project, the permissions and so forth starts to run out. It is therefore important for us to secure a decision as soon as possible.

There is no doubt that this is an exciting project which will create many new homes and jobs. The intention is to use the bridge as a focus for regeneration. It is expected to deliver more than 2,000 homes—including affordable housing—and 5,000 jobs, and to generate an estimated value of more than £600 million for the local economy. The £14 million grant—I should emphasise that that is the amount for which we bid originally, and that it is therefore well within the envelope—will generate a fair amount of VAT and other tax for the Treasury, as well as stamp duty. I can assure anyone from the Treasury who may be watching this debate that this project would constitute a big positive if permission were given and we could get on with it. The council has already invested some £8 million in local resources, and that, along with the funding plans, agreements and permissions, may be put at risk unless we can proceed with the project.

Poole is an ambitious town, whether under the Liberal Democrat administration of Brian Clements or the present Conservative administration of Brian Leverett. All our leaders are called Brian, incidentally. Everyone in local government really wants to get the town moving. They all want development, and the bridge would involve the redevelopment and regeneration of Lower Hamworthy. It presents a real opportunity for the borough, and would set it in the right direction for the next 10 years.

The local authority participated in the multi-area agreement, and was the first to submit a local investment plan to the Homes and Communities Agency. The plan refers specifically to the regeneration area. The local authority officers, being keen followers of Government policy, noted the speech made the other day by the Minister of State, Department for Transport, the right hon. Member for Tooting (Mr. Khan) on the Government's policy on the future of urban transport, which is contained in a consultation paper. A meeting took place at 1 Whitehall Place, at which the Minister of State spoke. The Government's strategy proposes the redirection of existing innovation funding and sustainable funding, as well as the top-slicing of existing regional funds. The Government's overall message is "More value for your money, but probably less money."

The twin sails project that we are promoting in Poole conforms with much of what the Minister spoke about the other day. The bridge will support the redevelopment of brownfield and under-utilised sites; it will help Poole to secure the new industries and jobs that are being promoted; it will join an isolated community with the town, creating new social, health, employment and education opportunities; homes and jobs created through the regeneration will have better access to public transport; and 50 per cent. fewer car-based journeys will be required. The bridge has been designed specifically to promote cycling and walking. There will be level access from the quayside and dedicated road space for cyclists, and an "art strip" to enhance the walking experience. The regeneration will open up new waterfront, and will include high-quality public realm including areas designed for walking. Everything that the authority is doing is consistent with what the Government have been pushing for over the years.

This project is exciting and vital for my constituents, but we find it a little frustrating that permission has not yet been given. I have talked to various Ministers in the Tea Room, in the corridors and behind the Speaker's Chair whenever I have had the opportunity to do so, and have tried to impress on them the urgent need for a decision. I hope that the Minister will tell us that one is imminent. I cannot stress too strongly that the decision must be made soon, so that we can get on with this important project.

We know that there are still difficulties ahead for the British economy, and this project accords very well with an agenda for its recovery. A relatively small amount of public money is needed, supplemented by private money, in order to secure an investment of £600 million and transform part of my constituency, providing homes and jobs that we need and generating tax that the country needs. I hope that the Minister will be able at least to reassure us that the Department for Transport loves our scheme, and will do all that he can to persuade the Treasury to make a decision as a matter of urgency so that we can deliver for Poole a first-rate scheme for a first-rate borough and a first-rate local authority.

3.33 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): Let me begin by—according to tradition, but none the less genuinely—congratulating the hon. Member for Poole (Mr. Syms) on securing such a timely debate.

I was a Poole borough councillor between 1986 and 2003, so a large part of my political life has been spent discussing the need for a new Poole bridge. We are very

proud in our town that Poole is a beautiful place, and we find that people tell us that again and again; but it is not so beautiful when the whole town comes to a standstill. Obviously, that is very harmful to the local economy, to people wanting to use our port and to the tourist trade. It is therefore important that we bring this long-standing debate to a conclusion.

My attention has been drawn to an article in our local paper, the *Daily Echo*, on 7 January 1998. I was mayor of Poole at the time, and the article says:

"Cllr Brooke, as First Citizen of Poole, was today (7 Jan 1998) the first person to sign a petition to the Government stressing the need for the new Harbour crossing.

Cllr Brooke added: 'It is important for us to keep momentum going on the bridge campaign.'"

The idea for that petition came from a Conservative councillor, and it was presented to Parliament by the hon. Member for Poole. I mention that as it is important to stress the cross-party nature of this project. The reason for that broad support is that it is a very important project.

I cannot describe how excited I was when I visited the Department for Transport shortly after I was first elected as an MP in 2001 or 2002 and heard the announcement that we had obtained a grant of £14.14 million. After such a long period of trying to find a way forward—and of trying, basically, to unite our town—I was over the moon. There is widespread concern at present, however, because there is a fear that this could all come to a halt. The uncertainty itself is damaging, and we need a positive answer as soon as possible.

Over the years, the need for the bridge has been clearly demonstrated, so that cannot be in doubt. However, the project has changed direction from being primarily about transport to being a very important contribution to economic regeneration. That change was proposed, in part at least, by this Labour Government, which makes the project even more of a cross-party objective, and serves to highlight again that we are all working together on the same agenda. I should also stress once more that the reason for this cross-party support is that it is such an important project.

The Government's agenda is to provide many more homes in the next 20 years, and it is important to appreciate that the regeneration area would provide 40 per cent. of Poole's homes over the next 20 years as specified in the regional spatial strategy. If the project were not proceeded with, therefore, the pressure on the green belt in my constituency would be incredibly great. Furthermore, this location is where the homes should be; they should be within walking distance of the town centre. This is an excellent project, therefore, and we should also consider the business that will be created, and the water activities. This will be a major project for the whole of the south-west; it will be important not only for Poole's economy, but for the economy of the entire south-west.

Mr. Syms: I agree with everything the hon. Lady says, and she has, of course, been a major campaigner for this project both as a councillor and a Member of Parliament. She made a very important point just now. There is a shortage of development land in Poole. We have green belt on one side, and the only way we will meet some of our housing targets is by building on existing homes, which is very unpopular—it is very unpopular when we tear down homes and build again. It is vital that we use this brownfield site for development, therefore, rather than build on the green belt or on existing homes.

Annette Brooke: I thank the hon. Gentleman for his intervention, and I would add one more point to it: we are also surrounded by heathland, so the constraints on building are very tight indeed. We have some of the finest dry heathland in the country—most of it is in my constituency. There is also the 400-metre rule, of course. In terms of both housing and regeneration, this site is absolutely vital, and the fact that it is brownfield—that it needs attention—adds to its importance. I wish to stress that the regeneration aspect is probably the most important in ensuring that we secure this grant. It is important to realise that this project has the wholehearted support of the entire business community and of 99.9999 per cent. of the residents—there are always some who might not like the design and other such things. The project has a very high level of support; all the council's key partners are working together on it—everybody is pulling together.

The hon. Gentleman alluded to the fact that the transport aspect is important to me, and that is because of the situation in Blandford road. When the bridge is closed or when there is a lot of congestion in town because of the lifting of the bridge, the traffic turns left through a very narrow road that, for the most part, has Victorian-type houses along it—in other words, they are close to the road. The traffic goes along Blandford road, which runs up from the port, through Hamworthy and into Upton. I have yet another meeting with the county council on Friday, when I shall discuss with councillors and officers what we can do to try to improve the quality of life for people who live in Blandford road. Some of the houses are so close to the road that as the lorries thunder along the windows literally shake, and life becomes almost intolerable for people when any potholes appear. So this project is important for the quality of life of residents and for the future of the town.

In today's economic climate, when my party very much agrees with the Government's view on the importance of not closing investment down at this critical point, this important project should go ahead because it will sustain the economy in Poole and the south-west, and it will have even wider implications. It should be just the sort of project that we are looking for—one that will create jobs. We talk about the construction industry in our area, which is suffering greatly. The project would provide an immediate stimulus, and traditionally the construction industry has always led the way out of depression. This project, which would serve a large part of the country, would qualify in those terms alone. I hope that the Minister will take on board the urgent need to get this decision. I have seen so many delays over the years and I need to be able to go back to Poole feeling that we have got the project, that it is going to happen and that the next time we say it is going to be completed in such and such a year it will be completed.

3.42 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I, too, congratulate the hon. Member for Poole (Mr. Syms) on securing this debate on the Poole bridge major transport scheme, which is sometimes known as the Twin Sails bridge scheme. It is an inspiring and iconic scheme, and both he and the hon. Member

[Paul Clark]

for Mid-Dorset and North Poole (Annette Brooke) covered its progress. I recognise the assiduous campaigners that they have been on this issue and the hard work that they have done.

I recognise the need for there to be a crossing of this nature and for it to be iconic. I found it interesting to look through the history of Poole and to discover that there was a human settlement in the area well before the iron age. The area has been of critical importance as it has developed. Of course, the town's name became very important, particularly in the 12th century, as Poole developed as a major port, prospering on the wool trade. Indeed, by the 18th century it had become one of the busiest ports in the world.

Things have changed, of course, as they do. I recognise exactly the description given of the beauty of the area—it is, of course, a major tourist site—and I can well remember going to visit as a schoolboy on holiday with my parents. I have been back since, which I shall mention shortly. Poole is the home of that highly respected and well-regarded institution, the Royal National Lifeboat Institution, to which we owe so much for the work that it undertakes.

I am the first to recognise that the scheme's journey has not been easy. It was given provisional approval by the Government back in December 2001 with a funding cap of £14.14 million from the Department for Transport. The approval was reaffirmed in February 2007 through the conditional approval process and now Poole, the promoting authority, is seeking the final full funding approval from the DFT with a capital contribution, still, of £14.14 million.

Poole has certainly seen a massive transformation in recent years, leading it to become one of the most desirable places to live. When people hear of Poole, they often think, for example, of the sand dunes at Sandbanks, which is supposedly the fourth most expensive place in the world to live. However, I am equally the first to recognise that that snapshot view disguises the fact that Poole also has pockets of deprivation and areas that are ready for regeneration.

The hon. Member for Poole mentioned a list of attributes of the scheme—using brownfield sites, bringing together isolated communities, and providing homes, jobs and better access to public transport, as well as walking and cycling opportunities—and I recognise many of those important considerations, which fall within our sustainable transport programme. The Poole bridge regeneration initiative core scheme seeks to boost regeneration opportunities by providing a new bridge over the Back Water channel. That bridge, along with associated roads, cycling and pedestrian links, will improve the access between Poole and the community of Hamworthy.

Interestingly, Hamworthy has been critical in the development of what we now know as Poole. It was one of the first areas to be settled in the iron age, and the first railway station was opened there in 1847. It has clearly been important for transport purposes. It is not only the two hon. Members who have been at the forefront of the campaign; the schoolchildren of Hamworthy, too, were wading through the Transport and Works Act documents when I was looking through the various records.

I had a very pleasant visit to Poole harbour last year to look at some of the issues. I met many of the hospitable and friendly staff. I also saw some of the things that have been identified today, such as the limitations of the existing crossing—the lifting bridge. I know and recognise some of the issues that arise from such a provision and, indeed, from the narrow roads that lead up it.

The new bridge would undoubtedly help to improve the links, opening up 32 hectares of land for a mix of housing and employment uses. I commend the vision of Poole and its determination to ensure that the opportunity is secured. With such an opportunity, it is not unreasonable for hon. Members to question why the Department for Transport has not given the final funding approval. I shall explain why shortly, but before I do I want to set out the funding arrangements and how the Department has actively encouraged investment decisions in support of schemes such as that in Poole.

As part of the 2006 regional funding allocation advice, the south-west region approached the Department for Transport and sought approval to set up a regional infrastructure fund. That fund is intended to support the delivery of key infrastructure that would release land for housing and employment opportunities—indeed, some 32 hectares have been identified in this case. The region asked for and received £30 million from the Department for that fund. Since 2009, the Department has increased that figure to £50 million for the regional development agency to determine where priorities would best be served. Hon. Members will recognise that that whole mechanism allows priorities to be identified, against many competing claims, for schemes throughout a region. I have always strongly believed that those who are closer to the areas to which demands relate are better placed to prioritise the requirements of a particular area.

As a result of the innovative approach of the region and the Department, Poole will be the first recipient in the south-west of a sizeable regional infrastructure fund loan from the Government of £9.95 million, which the hon. Member for Poole has mentioned. That loan will bridge the funding gap from the current shortfall in section 106 developer contributions, thereby recognising the situation regarding progress in the current economic situation. As a result, housing and employment opportunities can be created that might otherwise have been temporarily or permanently stalled. The proposed direct grant of more than £14 million, in addition to the loan of nearly £10 million, conveys a clear message of support from the Department for Transport for the aspirations of Poole and its people, businesses and local leaders.

I am conscious that Poole wants to move ahead with its regeneration plans as soon as possible and that it wants to secure an announcement about full funding approval. If Poole had submitted its business case in September 2009, as stated in the original advice to the Department for Transport in March 2009, we would not be having this debate. The Department has been enormously successful in encouraging local authorities and funding major transport schemes. All that has translated into on-the-ground delivery that is making a real difference to people's lives. With that success comes the need for close financial management to ensure that the overall transport programme remains affordable

and well prioritised. I am sure that hon. Members would not disagree with that requirement. Therefore, we, along with Treasury colleagues, are examining expenditure for 2010-11. The Poole bridge scheme will be covered by that financial and programme management process, and we hope to make an announcement about it soon after those discussions have concluded.

As I said, the hon. Gentleman has been an assiduous campaigner on the Poole scheme, and he has taken every opportunity to be in constant contact with officials and to meet and lobby Ministers on the scheme.

Annette Brooke: I thank the Minister for his comments, and I appreciate that he has indicated that everything is under consideration, but can he give any indication as to the time scale? That would be more helpful than if we were simply to go away saying, "It is still being considered."

Paul Clark: It will be very soon. The hon. Lady will appreciate that we must carefully manage the transport programme and establish the current situation in relation to demands in this difficult economic cycle. However, hon. Members made it clear that we should not cut capital investment now, because that would undermine economic recovery. I am delighted by that cross-party agreement.

Mr. Syms: I understand that the Minister is being as helpful as possible, given the need for Treasury approval for the scheme. In 2001, we asked for £14.14 million, and even eight or nine years later we are still within that budget. However, if a decision is not made soon, it will become much more difficult to stay within the costs that we set out then, because of tender prices and rescheduling works. We in Poole can stay within our budgets if we get the money on time, but problems will arise if we do not.

Paul Clark: The hon. Gentleman raises a valid point, and it is a problem that I recognise. A cap is usually put in place once an agreement is reached, and in December 2001 it was set at £14.14 million. That remains the position, and although I would not rule out discussing the matter with officials, the outcome would depend on the talks that we have. However, I also recognise the determination of the Poole authority to expect only the £14.14 million from the Department, even though there have been changes in the total cost of the scheme.

Departmental officials have been in regular contact with representatives from Poole. Frequent updates have been provided, and the people involved should be aware of the current position. Just last week, Poole's chief executive received a written update on the current position of the scheme, and numerous calls have been made and e-mails sent over the past two months. That demonstrates again that the Department has been consistently open on this issue, and that it has shared with Poole all the information in its possession. We recognise the importance of the matter, to the extent that I believe that some of my officials might as well have Poole council on speed dial.

Mr. Robert Walter (North Dorset) (Con): I represent the constituency immediately to the north of the one represented by the hon. Member for Mid-Dorset and North Poole (Annette Brooke). I welcome what appears to be the Government nudging closer to a decision on Poole harbour bridge, but I am concerned about what will happen to other local infrastructure, especially given the regeneration that is likely to take place.

Some 25 miles of the A350 runs through my constituency, and I am told by Dorset county council that the road has been due for upgrading since 1934. That is on the council's list of priorities. If the Minister were to approve the Poole bridge scheme, would he then be minded to approve the improvements to the A350?

Paul Clark: I congratulate the hon. Gentleman on his skill in introducing to the debate a scheme that is clearly important to his constituents, and perhaps further afield. I cannot be held responsible for everything that has happened since 1934, or even during the lifetime of this Government, but I spoke about the regional funding allocations. I believe—

Madam Deputy Speaker (Sylvia Heal): Order. I hesitate to interrupt the Minister, but this Adjournment debate has been called by the hon. Member for Poole (Mr. Syms). It is very specifically about a bridge—although I appreciate the comments made by the hon. Member for North Dorset (Mr. Walter), and the importance of the contribution that the Minister is making.

Paul Clark: Thank you for your guidance, Madam Deputy Speaker.

It is important that major, significant infrastructure projects such as the Poole bridge are considered by local people and leaders as part of the process on regional funding allocations. I have no doubt that that is the way in which the hon. Member for North Dorset should press his case.

Let me conclude by reassuring hon. Members that the Department is clearly committed to the scheme in Poole. We will progress the scheme as quickly as we can. It is important that the funding arrangements are in place and that we can deliver the scheme as soon as possible but, as I am sure all hon. Members recognise, we must proceed in conjunction with our Treasury colleagues. The work continues, and I hope that we will be able to write to the Poole authorities shortly.

Question put and agreed to.

4.1 pm

House adjourned.

House of Commons

Thursday 4 March 2010

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES BILL [*LORDS*]
(*BY ORDER*)

Second Reading opposed and deferred until Thursday 18 March (Standing Order No. 20).

Oral Answers to Questions

BUSINESS, INNOVATION AND SKILLS

The Minister of State was asked—

Online Fraud

1. **Ann Winterton** (Congleton) (Con): What steps his Department is taking to protect individuals from organised fraudulent online schemes which solicit money and financial details. [320192]

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): On 2 July 2009, the Government published the consumer White Paper, which details plans for more effective enforcement against those who deliberately set out to defraud consumers. I recently announced funding of £4.3 million for the Office of Fair Trading and trading standards to tackle those who use the internet to con consumers.

Ann Winterton: The majority of victims of cyber scams are people aged between 35 and 44, but those aged 55 and over lose most money and are more likely to succumb to scams on more than one occasion. What specifically are the Government planning to do to assist those people to understand the dangers that they are face?

Kevin Brennan: The hon. Lady is absolutely right to say that it is very important to consider the impact on vulnerable people, including the elderly, of the sorts of scams that we have seen operated on the internet. That is why we are investing in the scambusters team and trying to raise awareness of the problem among older people. She might be interested to learn that my predecessor and former First Minister of Wales, Rhodri Morgan, has just taken up the internet; when he was recently in the office he received an e-mail, which he showed to me, from a woman who said that he was exactly the kind of man she was looking for. I did point out that it was not from my hon. Friend the Member for Cardiff, North (Julie Morgan)—his wife.

Miss Anne Begg (Aberdeen, South) (Lab): Will the Minister examine the OFT's powers to tackle this issue? The electronic version of these scams is new, whereas the paper version is not, but, like the paper one, it is becoming much more sophisticated and much more believable. I am not sure that the OFT has sufficient powers to tackle those scams, particularly when they originate from another country.

Kevin Brennan: My hon. Friend raises a good point. The OFT and trading standards have powers under the Enterprise Act 2002 and the Consumer Protection from Unfair Trading Regulations 2008, but we are examining enforcers' powers to tackle online consumer problems to see whether they need to be strengthened, and we are discussing that possibility with the relevant key players.

University Funding

2. **Mr. Charles Kennedy** (Ross, Skye and Lochaber) (LD): When he last met representatives of the Russell group to discuss university funding; and if he will make a statement. [320193]

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): I last met the director general of the Russell group on 23 February, when we discussed higher education funding, among other subjects.

Mr. Kennedy: The Minister will be aware of my association with the university of Glasgow, which is a member of the Russell group. The Beatson institute for cancer research remains at the cutting edge and international forefront of cancer research generally. Given the squeeze on higher education funding, can he assure us that internationally leading research of the type at Glasgow will continue to receive the support that it both needs and, as I am sure he will agree, deserves?

Mr. Lammy: I acknowledge the right hon. Gentleman's position as rector of that university and his continuing championing of it in this House. I also recognise that that cancer facility is world renowned. He will appreciate that the Scottish Funding Council and the research council are rightly responsible for science funding more broadly, and that any funding decisions are rightly their responsibility under the Haldane principle.

Dr. Brian Iddon (Bolton, South-East) (Lab): Will my right hon. Friend ensure that when the research money is allocated there is no further concentration of funding, for example, on the Russell group? Will he confirm that all centres of excellence in research, wherever they may be found across the university system, including in the superb materials science group in the university of Bolton—my own university—are considered equally for funding with the top-level research universities?

Mr. Lammy: Drawing on his tremendous experience, my hon. Friend continues to champion science and research issues in this House. He is absolutely right to say that we should fund excellence wherever it is found, and that is the Government's policy.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Can the Minister give an undertaking that when the Browne committee reports after the election and imposes

greater debt on students in order to fund universities, that funding will not be removed from universities in terms of their central Government funding? Can he assure us that universities will at least be better off if students have to pay higher fees through increased debt?

Mr. Lammy: I know that the hon. Gentleman is an educated man, but I did not realise that he was a fortune teller. I am not going to anticipate the Browne review.

Mr. Denis MacShane (Rotherham) (Lab): Will the Minister consider reducing funding to universities that fail to take action to stop the propagation of Jew hate and anti-Semitism on campus?

Mr. Lammy: I recognise that this is a very serious issue. I was pleased to meet the all-party group against anti-Semitism and to meet Jewish students recently to discuss these matters. My right hon. Friend will know that I have regularly brought together universities, students and others in the sector to discuss these matters. I do not believe that this is a widespread problem across British universities, but I recognise that examples of it are patchy. We must remain vigilant and we must not allow anti-Semitism anywhere on campuses in this country.

Mr. David Willetts (Havant) (Con): Will the Minister confirm that the Government have set a target of 50 per cent. of young people going to university, and that this year—the very year to which the target applies—they are fining universities to the tune of £10 million simply because they have recruited more students? Is it not the final absurdity of Labour's target culture that it can set a target and then punish institutions for taking the measures needed to hit it? Why does he not instead match our pledge to offer 10,000 more university places this year?

Mr. Lammy: Because the hon. Gentleman's pledge is bogus and ridiculous. It would involve the Government borrowing more money to help which students pay off their loans quickly? The richest students. That is where his heart lies. The 50 per cent. participation rate is an aspiration that his party has continually opposed. We have got the figure up to 43 per cent., so there are more young people than ever before going to university, including more young people from poorer socio-economic groups than ever in our history, but his party has opposed the measure at every opportunity. This is the most opportunistic volte-face I have seen in the House for a long time.

Ms Dari Taylor (Stockton, South) (Lab): Excellence should always be invested in. In the north-east, both Sunderland and Teesside universities offer such excellence, so is it not about time that they received research moneys equivalent to those received by the Russell group universities and the greater amounts received by universities in the golden triangle?

Mr. Lammy: My hon. Friend continues to make the case for the north-east and for excellent universities such as Teesside and Sunderland, which do fantastic work, particularly in applied research. She is right that funding must follow excellence wherever it is found. I cannot anticipate decisions that are appropriately the domain of peer review, but she is absolutely right and the Government support that approach.

Late Payments

3. **Mr. Brian Binley** (Northampton, South) (Con): How many small businesses which supply his Department did not have their invoices paid within his Department's target time in the latest period for which figures are available. [320194]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr. Stephen Timms): In January, fewer than one in 18 supplier invoices to the Department took longer than 10 days to pay. Data are not kept separately for small businesses, but data regarding the invoices of all suppliers are published on the Department's website every month.

Mr. Binley: About 4,000 business failures were caused by late payment last year. How will the Government protect failing businesses as a result of late payment and what sanctions have they promised to impose on businesses that contribute to the problem by delaying payment?

Mr. Timms: The hon. Gentleman will know about the legislation that we have introduced, but, in reality, companies are reluctant to take sanctions against their customers. He is absolutely right to highlight the importance of this issue and to draw attention to those 4,000 businesses. That is why we launched the prompt payment code for government at the start of the downturn. We have committed to a central Government target of 10-day payment of invoices, on which we have a very good record of adherence. In addition, we have taken very successful action to support small businesses through the Revenue and Customs' time to pay initiative. The measures that we have taken have made a big contribution to the relatively low record of business failures during the recession that we have just come through, compared with past recessions.

Royal Mail

4. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What plans he has for the future of Royal Mail's universal service obligation; and if he will make a statement. [320195]

The Minister for Business, Innovation and Skills (Mr. Pat McFadden): The Government are committed to maintaining the one-price-goes-anywhere universal postal service. In the UK, the universal service provides a six-day-a-week letter service and a five-day-a-week parcel service. This goes beyond the minimum requirement in the relevant EU Directive and we have no plans to change the universal service obligation.

Mr. Carmichael: I am grateful to the Minister for that answer. Is he aware that Postcomm has issued no fewer than 46 licences entitling companies to deliver to the door? Does he accept that that raises a real danger of cherry-picking in urban areas? That would leave Royal Mail having to deliver the universal service to the rural areas, and raise long-term concerns about the sustainability of that service. Are the Government looking at the future in that context?

Mr. McFadden: As I said, we are determined to keep the universal service. It is an important part of the social glue of the nation, and it is particularly valued in constituencies such as the hon. Gentleman's, which is one of the most beautiful and remote parts of the UK. He referred to competition, but most of the competition developed in mail so far has been in upstream access and not door-to-door delivery. The vast majority of letters—I think around 98 or 99 per cent.—are still delivered every day by the Royal Mail. We express our gratitude to the hard-working postmen and postwomen who do it.

Mr. Lindsay Hoyle (Chorley) (Lab): Of course my right hon. Friend is right to show his commitment to the USO, and we are pleased to hear it. Does he accept, however, that the USO ought to be backed up with a very strong post office network with a community bank? The two go hand in hand: will he please show the same commitment on that?

Mr. McFadden: I agree that banking and financial services are already a very important source of revenue for the Post Office, which has some 2 million financial services customers. We recently issued a consultation document asking the public about the extra services that they would like, and also about things such as current accounts, weekly budgeting accounts, children's savings accounts, and so on. Like my hon. Friend, I think that such services offer huge potential for Post Office revenues. Traditionally, people went along to the post office every week to claim their pensions or benefits, but those claimant patterns have been in decline in recent years. That decline is probably likely to continue.

Mr. Jonathan Djanogly (Huntingdon) (Con): The Government have ignored the sensible recommendations of the Hooper report and abandoned their own Postal Services Bill, so does the Secretary of State have any policy that is designed to save the universal service—or, for that matter, the future of the Royal Mail?

Mr. McFadden: I am very grateful to the hon. Gentleman for my premature and—at the moment—fictional promotion, but I will stick to the job that I have. The most important thing for the future of Royal Mail is a comprehensive modernisation package that covers the introduction of new technology into the network as well as the number of mail centres, delivery offices and so on. The package should also cover the working practices that will need to alter to accommodate those changes.

For the past couple of months, these very matters have been the subject of intense negotiations chaired by Mr. Roger Poole, the former deputy general secretary of Unison. I am hopeful that a comprehensive modernisation agreement will be reached. If it is, that will be in the interests of Royal Mail, its staff, and the public.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Three major banks still do not let customers use banking facilities at post offices, even though two of them are partly owned by the Government. What progress is being made towards allowing customers of those banks to use post offices? That would provide extra business for post offices, and extra facilities for their customers.

Mr. McFadden: I am grateful to my hon. Friend for raising a very good point. We have been talking to the banks about this, particularly in the light of consultation on post office banking. Members of the public may not be aware that some 20 million high street bank accounts are currently accessible through the post office, but I agree that we want that number to rise. We want more banks to allow people to access their accounts through the post office network.

Sector Skills Councils

5. **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): What recent assessment he has made of the effect of the work of the sector skills councils on the skills level of the work force. [320196]

The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs (Kevin Brennan): Sector skills councils help raise demand for skills, provide authoritative labour market intelligence and ensure that qualifications meet employer needs. Their annual skills assessment sets out how the skills needs of their sectors are being met, and all SSCs have recently undergone a robust and rigorous relicensing process.

Jeff Ennis: The Minister will be aware of the recent Baker Tilly report, which indicated the positive impact that sector skills councils are having on the UK economy. But is he also aware of the memorandum of understanding that is being signed next week by the Alliance of Sector Skills Councils and the Federation of Small Businesses to ensure that qualifications being offered in the future by the SSCs are more relevant to micro and small businesses?

Kevin Brennan: Yes, I am aware of that, and later today I will meet John McNamara, who is in charge of the Alliance of Sector Skills Councils, when I can discuss the points that my hon. Friend raises. He is absolutely right; qualifications should be those that employers find useful, and the involvement of sector skills councils in developing qualifications is one of the features of the skills system that the Government have developed that makes them more relevant to employers and, therefore, to employees and learners.

Miss Anne McIntosh (Vale of York) (Con): This week a delegation from the print industry in the Yorkshire and Humber region told us clearly that sector skills councils are not hitting the mark. Please will the Minister make them more responsive to the needs of employers, particularly to train the up and coming leaders of local businesses?

Kevin Brennan: Yesterday, in the Department, we held a summit at the behest of the sector skills council employers and trade unions in the print industry to consider its future and its needs. If the representatives from the hon. Lady's constituency were not invited to that, perhaps she will let me know. We would certainly like to involve them in those discussions because the print industry has a great future. It is not the old-fashioned industry that it sometimes has a reputation for being. It has lots of small and medium-sized enterprises, and great and exciting technological developments are going on that we need to take advantage of.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Is the Minister aware that the largest single employer of apprentices in Scotland is those firms that are currently engaged in building the aircraft carriers? Does he agree that all those apprenticeships, both for adults and for youngsters, would be lost if the Conservatives carried forward their proposal to examine the break clauses of the contract on day one of any future Conservative Government?

Mr. Speaker: Order. I know that the Minister will relate his remarks exclusively to the effect of the work of the sector skills councils.

Kevin Brennan: Of course, Mr. Speaker. Sector skills councils have a UK-wide responsibility in the defence industry and with regard to apprenticeships. I am proud of the fact that under this Government apprenticeship numbers have risen from 60,000 in 1997 to nearly 250,000 now. It would be a great danger if a Government committed to cutting public investment were to come in because that would impact on the number of apprentices.

Mr. John Hayes (South Holland and The Deepings) (Con): The important work of sector skills councils is inhibited by the Government's emphasis on unelected regional authorities, and Ministers' preoccupation with the Train to Gain programme, which spends taxpayers' money funding training that people would fund themselves anyway. In confirming that the dead-weight costs of Train to Gain may be more than 80 per cent., will the Minister concede that he has finally listened to my complaints about this waste and so cut Train to Gain funding in the Budget and spend the money on apprenticeships instead?

Kevin Brennan: No, we will not do that. I am glad that the hon. Gentleman has raised the issue of regional development agencies, because his party's policy of abolishing those was described recently by the Engineering Employers Federation as a disaster. I do not know about other hon. Members, but when engineers warn me of impending disaster, I listen, and people should listen carefully to that advice.

National Investment Corporation

6. **Mr. David Heathcoat-Amory** (Wells) (Con): On what date he plans to launch the national investment corporation. [320197]

12. **Mr. Andrew Robathan** (Blaby) (Con): On what date he plans to launch the national investment corporation. [320205]

The Minister for Regional Economic Development and Co-ordination (Ms Rosie Winterton): We are working to set up a national investment corporation, alongside working with the banks to establish a growth capital fund. We will announce further details of both shortly.

Mr. Heathcoat-Amory: Do the Government understand that what firms want is lower taxes, fewer regulations, less red tape and the ability to borrow from their usual bank, many of which the Government control, anyway, so it should not be too difficult to ensure? What is the point, therefore, of this new lumbering state corporation, of the type that we thought we had buried in the 1970s? And how many banks have signed up to it, anyway?

Ms Winterton: In terms of the venture capital funds that the Government have been supporting, we have been getting help to small and medium-sized enterprises in order to ensure that they can take advantage of the recovery, when it comes, and develop new technologies and enterprises. Owing to the investment that we have put in, something like £1.5 billion has been given to 600 small and medium-sized enterprises to undertake such work. I know that the right hon. and learned Member for Rushcliffe (Mr. Clarke) says that

"the words 'industrial strategy' send a slight shudder down my spine."

but, if that type of help were not available in his constituency, it would be very bad news for small and medium-sized enterprises.

Mr. Robathan: That type of help is not available. I think that the expression is "all talk and no trousers," because nothing has happened. Being a bit of an internet wizard, I googled "national investment corporation" just before I came into the Chamber, and interestingly the last reference to it was a press report on 9 December, so that shows how much activity has been going on. Will the Minister now say that it was a scheme dreamt up by Peter and Gordon, over a brew, to a whiff of sulphur, and will they concentrate on helping businesses, not on announcing great, grandiose schemes that go nowhere?

Ms Winterton: I do not think that the hon. Gentleman understands at all the needs of small and medium-sized enterprises at the moment. He does not acknowledge that in his region 627 loans have been offered to companies, totalling £67 million. His party would reduce—indeed, take away—all the assistance that we are giving to small and medium-sized enterprises, and it is very sad that he does not understand the importance of our strategy.

Mr. Dennis Skinner (Bolsover) (Lab): Would not more money be available if everybody paid their taxes? A fella is getting away with £127 million, without paying his taxes, and he is running the Tory party. They talk about being the party of change. They are the party of money-changers, and we ought to—

Mr. Speaker: Order. The hon. Gentleman has expressed himself, but unfortunately the relationship with the national investment corporation is not merely tangential, it is non-existent. *[Interruption.]* We will leave it at that.

Mr. Kenneth Clarke (Rushcliffe) (Con): The most worrying threat to the future growth of the economy is the appalling decline in business investment. All we get from the Government is a series of grandiloquent announcements or press releases from the Prime Minister and the Industry Secretary. Does the right hon. Lady recall replying to a question in December last year by telling us:

"Further details of the National Investment Corporation will be announced by the time of the pre-Budget report." —*Official Report*, 3 December 2009; Vol. 501, c. 987W.]

She will recall that nothing appeared in the pre-Budget report. Will she admit that it was just another public relations announcement, and that nothing substantial

has been done to encourage the banks to return to providing normal lending, normal credit facilities and normal commercial services to small and medium-sized businesses, in particular?

Ms Winterton: It is astonishing that the right hon. and learned Gentleman does not accept that providing something like £1.5 billion of assistance in venture capital funds to small and medium-sized enterprises is important. We know that he wants to abolish regional development agencies; and we know that he does not believe in intervening, because he said that "industrial strategy" sends a shudder down his spine. But I should like to know how withdrawing investment allowances from small and medium-sized businesses would help whatever. Again, the Engineering Employers Federation said:

"Reducing the level of capital allowances would be a big problem for manufacturers".

The Opposition do not care about small and medium-sized enterprises, but we do.

Queen's Diamond Jubilee

8. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What progress is being made in preparing for the Queen's diamond jubilee celebrations. [320200]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): Planning for Her Majesty's jubilee is still in its early stages. I made a statement to the House on that matter on 5 January. We are working closely with Buckingham palace, which is developing a programme of events. However, it is too early to provide further details.

Mr. Pelling: Does the Minister agree that we would do well to follow the lead of the Secretary of State's grandfather by having a festival of Britain in 2012, when so many people will be coming to the UK for the Olympics? We could celebrate business talents, perhaps a recovering economy and what we have to offer outside the financial sector in terms of manufacturing and technology.

Ian Lucas: The great 1945 Labour Government made a very wise decision in instigating the festival of Britain, and I am pleased that the hon. Gentleman is offering positive suggestions about Her Majesty's diamond jubilee. We are willing to listen to such suggestions from those in all parts of the House, because it is of course an occasion that we must all celebrate.

Apprenticeships (West Midlands)

9. **Mr. Jim Cunningham** (Coventry, South) (Lab): What recent steps he has taken to encourage businesses in Coventry and the west midlands to offer apprenticeships. [320202]

The Minister for Business, Innovation and Skills (Mr. Pat McFadden): We are taking a number of measures to encourage businesses to offer apprenticeships. The National Apprenticeship Service promotes and expands apprenticeships. Spending has gone up from £832 million in 2007-08 to a planned £1.2 billion next year. In December, we announced an apprenticeship grant for employers that offer £2,500 to employers who offer apprenticeship places to unemployed 16 and 17-year-olds. In the west midlands, the area which my hon. Friend represents, 790 employers have committed to recruiting young people, including 31 employers in Coventry.

Mr. Cunningham: I thank my right hon. Friend for that answer. What discussions has he had with the Secretary of State for Children, Schools and Families to promote apprenticeships in schools?

Mr. McFadden: We want to promote apprenticeships in many sectors. We are making a particular effort to promote apprenticeships among unemployed 16 and 17-year-olds; that is why we recently announced the apprenticeship grant for employers, which offers £2,500 to employers who offer an apprenticeship. It is urgent that, in the difficult economic times that we have had, we avoid what happened in previous recessions, when young people were unable to find work and then sometimes spent years, or decades, never having a job. We are determined to ensure that that does not happen this time. That is why we are putting so much effort into ensuring that young people have opportunities, and that if they are out of work, that does not turn into long-term and sustained unemployment.

Peter Luff (Mid-Worcestershire) (Con): Can the Minister explain why the apprenticeship grant for employers began at the beginning of the calendar year instead of at the beginning of the academic year, making it impractical for small businesses in my constituency, such as James Holden's business in Honeybourne, to access the scheme, as to support his apprentice he needs him to be able to access courses at South Worcestershire college alongside his apprenticeship?

Mr. McFadden: We want to work with all parts of the economy to make this work for people, including employers and those parts of the education system that participate. I think that this has worked well for the education system. I simply contrast the numbers: a decade ago, we had about 60,000 apprenticeships; last year, we had some 240,000 apprenticeship starts. The truth is that we have brought back apprenticeships as a mainstream part of the labour market. They were in the intensive care ward when the Conservatives were in power, but they are now alive and well, and we are determined to support them in the future.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): My right hon. Friend will be aware that there is a particular difficulty with skills levels in the west midlands, notwithstanding the welcome increase in the number of apprenticeships. One of the reasons for that is the perception among young people that going into industry is a dirty job that is not worthy of their particular talents. Will he undertake to work with employers and the educational system to try to change that culture to get young people with aspirations to use their talents within their local companies and local industry?

Mr. McFadden: My hon. Friend makes a good point. Our constituencies neighbour each other and are very similar: they both have many high-quality engineering companies. He is right that despite the fact that these are good jobs, and often quite well-paid jobs, young

people are sometimes not attracted to them. One of the things that we have done is to work with the Engineering Employers Federation to set up Manufacturing Insight, whose important job is to go into schools to ensure that engineering is seen as an attractive occupation. Alongside our policies on apprenticeships, I am sure that we can attract more young people to take up careers in manufacturing, because it is critical to the UK economy and represents significant opportunities for them.

Business Credit

10. **Jo Swinson** (East Dunbartonshire) (LD): What recent representations he has received on trends in availability to businesses of credit from banks. [320203]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): The Department meets regularly both banks and business representatives to discuss the availability of business finance. This has included the quarterly meeting of the Small Business Finance Forum and a recent "Going for Growth" seminar, which brought banks and businesses together to look at current issues affecting business bank credit and how they might evolve as the recovery of the economy progresses.

Jo Swinson: The Federation of Small Businesses has found that nearly half of small businesses in Scotland are having to use personal savings, personal loans or personal credit cards as a major source of business finance. The Minister will know that the Public Accounts Committee found that Lloyds and Royal Bank of Scotland fell well short of their promises to lend £39 billion last year. Can the Minister tell the House what he will do this year to get the banks lending and, at the very least, ensure that the part-nationalised banks meet their lending targets for small businesses?

Ian Lucas: The Department has a help for business unit and, if the hon. Lady has individual examples with which she needs assistance, we are happy to take those up and discuss individual cases directly with banks. We are very conscious of the availability of lending and how important it is in taking forward the recovery. There have been signs of progress in the last quarter, but we will continue to engage with both banks and small businesses to ensure that that recovery builds.

John Penrose (Weston-super-Mare) (Con): Is the Minister aware that the Bank of England's report last month showed that the fall in bank lending in 2009 was the worst since records began, and that lending to business crashed by a whopping £4.3 billion in December alone? Does he not remember the Chancellor's words about the Government's bank rescue plans 18 months ago—as far back as October 2008—when he said:

"The purpose of these proposals is to get lending started again". —[*Official Report*, 8 October 2008; Vol. 480, c. 280.]

Given the latest figures, does the Minister not feel even the faintest shred of embarrassment about the yawning gulf between the rhetoric and the reality?

Ian Lucas: What I do remember is that when I was running a small business in 1992, interest rates increased in a morning from 10 per cent. to 15 per cent. We do not wish to see those days of instability return. We understand small businesses and engage with them, and we are continuing to work to restore credit and investment in industry. There are signs of positive steps forward and we will continue with those as time passes.

Mr. Mike Weir (Angus) (SNP): One of the problems that small businesses in my constituency have with the banks is the operation of the enterprise guarantee scheme. Despite businesses meeting all the published criteria, the banks simply will not lend, often saying that businesses are unviable because they have had a drop in profitability over the last year—hardly surprising in the midst of a recession. Will the Minister look at the operation of the scheme and put pressure on the banks to deal with small businesses more equitably?

Ian Lucas: To date, more than £1.2 billion of eligible applications have been pursued through the enterprise finance guarantee from 10,738 companies, and £857 million has been offered to 8,378 businesses. That has meant real help to those individual businesses. As I indicated to the hon. Member for East Dunbartonshire (Jo Swinson), if hon. Members—on either side of the House—have individual examples, I will work with them to help small business.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): As the economy starts to grow, the provision of credit for all business, especially small and medium-sized enterprises, will be vital as working capital. As my hon. Friend the Member for East Dunbartonshire (Jo Swinson) said, the PAC has drawn attention to the fact that the nationalised banks have failed to meet their lending commitments. Last week, the Institute of Directors published a survey that showed that 57 per cent. of those who had applied for credit were denied it. Worst of all, of that 57 per cent., 83 per cent. were not even offered information about the enterprise finance guarantee scheme. So the banks are failing to lend, United Kingdom Financial Investments Ltd is failing to do anything about it, and the enterprise finance guarantee scheme is also failing. What will the Minister do about that catalogue of failure?

Ian Lucas: I have already recounted the figures on the extent of the success of the enterprise finance guarantee scheme—the money invested in businesses and the numbers of businesses that have benefited. We always wish to do more, and as the recovery gathers pace, we will continue to engage with business and banks to ensure that the banks provide assistance to the economy as it grows.

Higher Education

11. **Greg Mulholland** (Leeds, North-West) (LD): What steps he is taking to widen participation in higher education; and if he will make a statement. [320204]

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): We reaffirmed our commitment to wider and fairer access to higher education in "Higher Ambitions", published last November. The number of students going to university from lower socio-economic groups is rising, and almost 10,000 more young people entered higher education in 2007-08 than five years earlier.

Greg Mulholland: I thank the Minister for that answer, but with graduates facing debts of more than £20,000 and with the debate about whether to raise the cap on tuition fees to £7,000, I was pleased to sign the Leeds university union pledge against any such rises. Is it not time that the Government were clear about their policy going into the election, and will he now be clear whether he will oppose increasing the fee cap to £7,000—yes or no?

Mr. Lammy: That is a little rich coming from the Liberal Democrats, given that they have had five positions on tuition fees since Christmas last year. Recently, there was a policy change indicating that they would not phase out tuition fees in the next Parliament. The Government have been clear that we will not pre-empt an independent review. We have asked Lord Browne to look at access, and the position of students, parents and employers. I will take no lessons on tuition fees from the flip-flop Lib Dems.

Bank Lending (Businesses)

13. **Mr. David Amess** (Southend, West) (Con): What recent estimate he has made of trends in availability to small and medium-sized enterprises of bank lending. [320206]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): The majority of small and medium-sized enterprises applying for finance continue to receive the finance that they require. For businesses with a turnover of less than £1 million, the proportion of applications that banks approved increased in the second half of 2009, and the average monthly approval rates for those businesses in the fourth quarter of 2009 were about 67 per cent. for loans and 72 per cent. for overdrafts.

Mr. Amess: In the real world, many small and medium-sized businesses in Southend, West are still suffering in the current economic climate, and their situation is not being helped by the negative attitude of banks towards lending. A survey by the Federation of Small Businesses showed that only 1 per cent. of moneys is being got from Government finance, so will they now accept my party's proposal for a national guarantee scheme?

Ian Lucas: With respect to the hon. Gentleman, I live in the real world too—in Wrexham—and I have small businesses in my constituency as well. We all know that we have had an extremely difficult 18 months and the most substantial global recession in living memory, but we are improving access to credit for businesses. We do not want a return to the up-and-down approach—and the instability that came with it—taken by the Conservative party when I ran a small business.

Science Budget

14. **Dr. Julian Lewis** (New Forest, East) (Con): Whether his Department's science budget will remain ring-fenced after 2011-12. [320207]

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): The Government have no plans to alter the ring fence around the science and research budget.

Dr. Lewis: I thank the Minister for that reassuring reply. The only problem with it is that, because the Government have put off the comprehensive spending review, no one has any idea what sort of sum is being ring-fenced. If it is not to be all show and no substance, will he indicate what sum is being ring-fenced, otherwise is it not nonsense to say that the ring fence will be maintained?

Mr. Lammy: It is axiomatic that every area of Government is subject to a spending review, which will be determined after the Budget; that is obvious and applies to every Department. I think that the question is asked and answered.

Access to Credit

16. **Mr. Desmond Swayne** (New Forest, West) (Con): What steps he is taking to increase the level of access to credit by small and medium-sized enterprises. [320210]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): We have a number of targeted interventions working to ensure access to finance for small and medium-sized businesses. I have already given the House figures concerning the enterprise finance guarantee, which is one example of those interventions.

Mr. Swayne: The statements from the Dispatch Box are quite at variance with the experience of small businesses on the ground. Is it not clear that the second banking bail-out failed in its attempt to extend bank lending to business?

Ian Lucas: The experience on the ground is that we are seeing signs of increasing investment in business and of businesses beginning to recover as consumer demand develops. Consumer demand is extremely important. That is why it is vital that we do not reach the levels of unemployment in this country that we saw on two occasions under the last Tory Government.

Euro (UK Membership)

19. **Mr. Peter Bone** (Wellingborough) (Con): What recent representations he has received from businesses on UK membership of the euro. [320213]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr. Stephen Timms): The Department has received no such representations recently.

Mr. Bone: I am amazed at that response from the Minister. Is it not a fact that the floating of the pound and the depreciation of sterling have been enormously useful to small businesses and manufacturers in this country, making their goods cheaper abroad and making imports more expensive? Is it not great news that we still have the pound, and will the Government now give up their policy of taking us into the euro?

Mr. Timms: The Government's policy remains as it was when it was set out by the previous Chancellor in a statement to the House in October 1997, and when the last assessment against the five tests was made in June 2003, when we said that

"we cannot at this point in time conclude that there is sustainable and durable convergence or sufficient flexibility to cope with any potential difficulties within the euro area."

The whole House will see exactly what we meant.

Several hon. Members *rose—*

Mr. Speaker: Order. Just as I called the hon. Member for Wellingborough (Mr. Bone) to ask Question 19, the hon. Member for Huddersfield (Mr. Sheerman) came into the Chamber. I want to err on the side of generosity; therefore I call the hon. Gentleman.

Insolvency Service

18. **Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): What steps he is taking to improve the performance of the Insolvency Service. [320212]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): I meet regularly with the chief executive of the Insolvency Service to discuss the agency's performance and measures to improve it. I also agree the targets for the agency's performance, which are set after discussions with an external steering board of industry experts. I ensure that the service is set goals that, although achievable, are challenging.

Mr. Sheerman: You are very generous, Mr. Speaker.

Will my hon. Friend take on board the fact that for many small businesses the system for individual bankruptcies is cruel and punitive? Big consultancy firms such as PricewaterhouseCoopers charge £200 an hour; indeed, a constituent was charged £800 for a letter to be answered. What is going wrong when these big companies can leech money from small people?

Ian Lucas: My hon. Friend makes an important point. An important part of the Government's approach is to develop alternatives to formal bankruptcy procedures, through debt management plans and debt relief orders. We intend to offer a range of help to individuals and businesses, to enable them to avoid the formal procedures for insolvency, if at all possible.

Topical Questions

T1. [320217] **Simon Hughes** (North Southwark and Bermondsey) (LD): If he will make a statement on his departmental responsibilities.

The Minister for Business, Innovation and Skills (Mr. Pat McFadden): Our Department's key task is to work with business to help secure recovery from the global recession. To do that we have put in place a strategic investment fund designed to support key areas such as low-carbon industries, the digital economy and advanced manufacturing; strong regional development agencies, working with business in the regions; and tax support for industry in the form of capital allowances to support investment. We are not about to withdraw £3.5 billion of support for industry through reforms to capital allowances, as advanced by the Conservative party.

Simon Hughes: I know that the Government are also committed to more apprenticeships. There are still tens of thousands of young people who are not in education, employment or training. Will Ministers look at the idea of posting the apprenticeships that are available, either by local authority area or by postcode, both to make them easier to access and to hold employers in the public and private sectors to account?

Mr. McFadden: We have an online service to match employers with young people seeking apprenticeships, and as I said a few minutes ago, in December we announced a programme of grants of £2,500 for employers to take on unemployed 16 and 17-year-olds. I agree with the hon. Gentleman: we do not want young people to become completely distant from the labour market because of the economic troubles that we have been going through in the past couple of years. That is why apprenticeships are important, why the numbers have increased and why we have put in place the new grant specifically for unemployed 16 and 17-year-olds.

T2. **Rosie Cooper** (West Lancashire) (Lab): Please could the Minister comment on the negotiations between Royal Mail and the Communication Workers Union?

Mr. McFadden: The negotiations have been taking place on an intense level since the turn of the year. They are chaired by Mr. Roger Poole, the former deputy general secretary of the Unison union, and I believe that he has the trust of both sides. The aim of the negotiations is to reach a comprehensive agreement governing all the modernisation and change that needs to take place to put Royal Mail on to a healthier footing. We are not yet at the point of agreement, but I hope that we will be, and I very much hope that the talks will be successful, because that will be in the interests of Royal Mail, its staff and, most importantly, the public who depend on the postal service.

Mr. Kenneth Clarke (Rushcliffe) (Con): Have Ministers noticed the report in this morning's *Financial Times* that the chemicals company Ineos, the largest private firm in this country by sales, has joined the queue of companies intending to move their headquarters out of the United Kingdom, citing levels of corporate and personal tax? Are Ministers also aware that, in the Davos World Economic Forum league of competitors, the United Kingdom has now slipped to 81st in the world in terms of its tax levels? Will the Minister make representations to the Chancellor that he should follow the Conservatives' recommendations on lowering levels of corporation tax? Will he also tell the Chancellor that the choice of national insurance as a source of revenue in 2011 is particularly disastrous when we are supposed to be trying to come out of a recession?

Mr. McFadden: I regret the Ineos decision, but I must point out that our corporation taxes are lower now than when we came into office; they are the lowest in the G7. The right hon. and learned Gentleman asked me whether I would approach the Chancellor and ask him to support the policy that his party has advocated. Just a few days ago, his colleague, the shadow Chancellor, said that that policy would involve the withdrawal of £3.5 billion of support for investment allowances for manufacturing industry. That is absolutely not what our industry needs at the moment, and, combined with the Conservatives' policy to abolish the regional development agencies and

to attack the strategic investment fund, it would represent a real threat to British industry. That is not what we want at the moment; we should support industry through the investment allowances and through strong RDAs working with—

Mr. Speaker: Order.

T3. [320219] **Natascha Engel** (North-East Derbyshire) (Lab): What steps is my right hon. Friend taking to ensure that fast, easy broadband access is enjoyed by everyone in the UK, especially those people who live and work from home in rural areas such as North-East Derbyshire?

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr. Stephen Timms): My hon. Friend is absolutely right to raise that matter. I am announcing today the formation of Broadband Delivery UK, and the appointment of its chief executive, Adrian Kamellard, to drive forward the universal service commitment to deliver 2 megabits per second broadband to every UK household by 2012, and to manage the £1 billion next generation fund, which will result from the proceeds of the 50p a month phone line levy, to deliver next generation broadband to 90 per cent. of the country by 2017. My hon. Friend is right to highlight the importance of this service in rural areas. Virgin Media recently made the welcome announcement of 100 megabit per second services across its whole network by the end of the year, which will be available to almost half of UK homes. That reflects current demand, and we need to get a move on in delivering such services in rural areas as well.

T4. [320220] **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): Listening to the answers given by the Ministers today, I have to say that I just cannot believe the complacency of this Government. Week after week, representatives of small businesses come to my constituency surgeries and tell me that they hear the Government's rhetoric, yet every time they go to the bank, they cannot get the credit that they are promised. When will the Government stop making promises and start delivering for the people of Milton Keynes?

Mr. McFadden: We have outlined the support that we have put in place. Some 160,000 businesses have been helped by the time to pay initiative, which has allowed businesses large and small to delay payment of a total of £5 billion in tax, to help them through the recession. Some 8,000 businesses have been helped through the enterprise finance guarantee scheme. I have to say to the hon. Gentleman that small businesses in his constituency would not be helped by his shadow Chancellor's policy to abolish the £50,000 investment allowance that exists under this Government.

T8. [320224] **Mr. Jim Cunningham** (Coventry, South) (Lab): Will my right hon. Friend look at the concerns of small businesses about the payment by Government Departments for work that has already been done?

Mr. McFadden: My hon. Friend is absolutely right to stress that prompt payment is important. The Government should be a good customer and the Prime Minister has placed a great emphasis on that. As the Under-Secretary, my right hon. Friend for East Ham (Mr. Timms) said in response to an earlier question, the vast majority—more than 90 per cent., I think—of the bills in my Department are paid within the target date. That is important because small businesses rely on prompt payment. That is why we have taken it seriously during the recession.

T5. [320221] **Mr. John Baron** (Billericay) (Con): Despite Government assurances to the contrary, all the evidence on the ground in Essex is that companies cannot secure credit from banks or are having their credit conditions tightened. A recent Institute of Directors survey, as mentioned previously, confirmed that. Why are the Government incapable of sorting this out, particularly when they are a major shareholder in some of the banks concerned?

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): It is simply not the case that the Government are failing to take action to support small business. It is very important to increase the levels of consumer demand within the economy to increase the demand for small business. That is why we must focus on unemployment levels and also support business by extending assistance through Her Majesty's Revenue and Customs by delaying payment. If we had followed the policy of the Conservatives, none of that assistance would have been available because the money would not have been there to assist businesses in their time of need.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): What assessment has my right hon. Friend made of the impact of the investment in science on the recovery and also on the transfer into small business in the community?

Mr. McFadden: Some years ago, there was a campaign called Save British Science. It is no longer necessary because we have invested so much extra in science. We value the contribution that science can make. We are a world leader: we have 1 per cent. of the world's population, but 12 per cent. of the world's scientific citations. That is a testament to the success of British science, which the Government have strongly supported. My hon. Friend is absolutely right not only that pure science is good in itself, but that the potential for spin-offs between the scientific research councils, higher education and companies is now enormous. We are seeing increasing success in this.

T6. [320222] **Dr. Julian Lewis** (New Forest, East) (Con): The renewable heat incentive enjoys support in principle on both sides of the House. However, an unintended consequence might be to make the oil refining industry absolutely uncompetitive. The great oil refinery at Fawley in my constituency would see its margins completely wiped out if this levy is imposed on it. As it applies only to Britain, it adversely affects its competitiveness. What reassurances can the Minister give to the greatest oil refinery in the country?

Mr. McFadden: The assurance I give the hon. Gentleman is that I will make sure that his point is relayed to the Department of Energy and Climate Change and the Treasury. It would probably be wise for me not to comment in any more detail on his question at this point.

Judy Mallaber (Amber Valley) (Lab): Some of my constituents work for the engineering company, Firth Rixson, in Darley Dale, one of only three plants in the world making rings for aeroplane jet engines. Will my right hon. Friend use his good offices to help resolve its dispute with Tory-controlled Derbyshire Dales council? It has put in place a noise abatement order that could close down the company, which has been there for 70 years and employs 160 people.

Mr. McFadden: My hon. Friend draws attention to the UK's strength in aerospace—not only in her constituency, but in many others, too. Aerospace is one sector that has been strongly supported by the strategic investment fund that we have set up. Sadly, that support has been described as disgraceful by Conservative Members, but we believe that it is valuable and important.

T7. [320223] **Andrew Rosindell** (Romford) (Con): During these tough economic times, what is the Minister doing to support traditional English market towns, such as my own of Romford?

Mr. McFadden: Traditional English market towns are very important for the economy. A couple of years ago, when the west midlands suffered floods, the regional development agency's marketing of the area was important in saying that we were open for business. That is why the hon. Gentleman's party's policy of abolishing RDAs would be so damaging to the market towns that he supports.

T10. [320226] **John Robertson** (Glasgow, North-West) (Lab): My right hon. Friend will be aware that Royal Bank of Scotland and Bank of Scotland cardholders are unable to use their cards at the people's bank. When will we make the people's bank exactly that—a bank for all the people—and make those companies in which we have invested a lot of money allow their customers to use their cards in that way?

Mr. McFadden: My hon. Friend raises a similar point to that raised by my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) a few minutes ago. He is right that accessibility for account holders of other banks is important to the future of the Post Office. Some banks have stepped up to the plate and ensured that, and some 20 million accounts are available in that way. I agree with my hon. Friend the Member for Glasgow, North-West (John Robertson) that more should do the same, and I assure him that we are working on that with other banks.

T9. [320225] **John Hemming** (Birmingham, Yardley) (LD): In Birmingham, far too often companies such as LDV have gone into administration and ended with no jobs and a fire sale of the assets. Have the Government looked into a review of chapter 11 so that when a company gets into difficulty it can come out with a business and jobs remaining?

Ian Lucas: We have introduced to our insolvency system several different alternatives to formal insolvency and bankruptcy proceedings, such as debt management plans and debt relief orders. The range of options now being put forward by the Government are an effective way to deal with problems for individuals and businesses that enter financial difficulties.

Mr. Michael Clapham (Barnsley, West and Peniston (Lab): The Minister will be aware that the motor spo industry in the UK is a world leader. However, it 10 years since the Government commissioned any resear on the industry. Will he consider an up-to-date surv to ensure that the UK keeps its lead in the motor spo industry?

Ian Lucas: Yesterday, I returned from the Gene motor show, where I met superb British companies su as Lotus that are making excellent, innovative, world-beati progress in their part of the industry. The world renowne UK Automotive Council is leading our approach investment and research in the automotive sector, which the automotive sport sector is an important par

Sir Nicholas Winterton (Macclesfield) (Con): Do the Department accept that manufacturing industry the only source of non-inflationary, sustainable econom growth, and that, in bank lending, priority should b given in all cases to manufacturing industry?

Mr. McFadden: I share entirely the hon. Gentleman support for manufacturing. With my constituenc being Wolverhampton, South-East, I see the value manufacturing day in, day out. It is therefore importa to support investment in manufacturing through the ta system. I hope that he will make representations t those on his Front Bench that they should desist fro their policy of withdrawing £3.5 billion of tax suppo for investment in manufacturing—

Mr. Speaker: Order. We have had that point before.

Mr. Denis MacShane (Rotherham) (Lab): But on tha point, has the Minister seen the front page of today *Libération*, which refers to the sickness of French industr under a Conservative Government and contrasts tha with the more robust health of British manufacturin industry? Does it help our firms to have the shadow Chancellor and shadow Business Secretary touring meeting and studios talking down the British economy?

Ian Lucas: In Geneva, I met a French manufacturin company that is considering investment in the UK because it recognises the UK Government's commitmen to innovation, manufacturing and industry—a commitmen sadly lacking from the Conservative party.

Mark Pritchard (The Wrekin) (Con): Is the Ministe aware of the excellent work of the staff at Telfor college of arts and technology, who do a great jo providing skills and training for the long-term unemployed Is he aware that the Skills Funding Agency is seeking t reduce next year's budget, despite unemployment in th west midlands being at record levels? Will he interven to ensure that funding is forthcoming to help those wh are on the dole?

The Minister for Further Education, Skills, Apprenticeship and Consumer Affairs (Kevin Brennan): Overall fundin for the sector will increase by about 3 per cent. nex year. I shall be happy to look into the individual case o the college to which the hon. Gentleman has referred i there is anything untoward, but I should point out tha

we have invested in further education, and it would not help if we had to make an extra £1 billion of cuts this year.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): As the Minister will know, the science learning centres at York university and in nine university towns in the regions are the result of a magnificent effort by the Government, with the Wellcome Trust. However, they will not work unless teachers are able and willing to go to them for their courses in CPD—continuing professional development—and they need funds if they are to do so.

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): I recognise the need for teachers to be able to gain access to those courses. I shall be happy to discuss any problems with my colleagues in the Department for Children, Schools and Families.

Mark Hunter (Cheadle) (LD): Next week the board of the Payments Council, which represents all the major high street banks, will meet to rubber-stamp its decision to phase out the use of the cheque, despite the opposition of the Federation of Small Businesses and many other groups. Will the Minister, even at this late stage, make representations to the board and ask for a rethink?

Mr. McFadden: I have made this confession before: I am a cheque user. I do not know whether that makes me a luddite, but I believe that cheques still provide people with a valuable payment mechanism, and I hope that the banks will think long and hard before abolishing them.

Business of the House

11.36 am

Sir George Young (North-West Hampshire) (Con): May I ask the Leader of the House to give us the business for next week?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be as follows.

MONDAY 8 MARCH—Remaining stages of the Crime and Security Bill.

TUESDAY 9 MARCH—Opposition Day (5th Allotted Day). There will be a debate on NHS London, followed by a debate on access to higher education. Both debates will arise on an Opposition motion.

WEDNESDAY 10 MARCH—Estimates Day (2nd Allotted Day). There will be a debate on alcohol, followed by a debate on taxes—

Mr. Andrew Robathan (Blaby) (Con): Taxes or taxis?

Ms Harman: Taxes—and charges on road users. Details will be given in the *Official Report*.

[The details are as follows:

Department of Health in so far as it relates to alcohol: 1st Report from the Health Committee, HC 151.]

At 7 pm the House will be asked to agree all outstanding estimates.

THURSDAY 11 MARCH—A topical debate on International Women's Day—Women's Representation, followed by proceedings on the Consolidated Fund (Appropriation) Bill, followed by Second Reading of the Northern Ireland Assembly Members Bill [*Lords*].

FRIDAY 12 MARCH—Private Members' Bills.

The provisional business for the week commencing 15 March will include:

MONDAY 15 MARCH—General debate on defence in the world.

Sir George Young: I am grateful to the right hon. and learned Lady.

May I begin by adding my own voice to the many tributes that have been paid to Michael Foot? He was a former Leader of the House, and one of our greatest parliamentarians. I remember him as the man whose brief it was, during my second Parliament, to hold together a legislative programme in a Government with no majority, which he handled with tact and ingenuity—although one day he had to introduce five guillotine motions. As an orator, he was one of the few who could fill the Chamber. He was a brilliant and at times unpredictable force, instilling terror in his civil servants by speaking on industrial relations legislation without notes for 30 minutes, and, equally memorably, winding up the motion of no confidence in the Labour Government in 1979. On that occasion, even his flights of rhetoric were not enough to save them from defeat by one vote. He was a man of great courage, courtesy and integrity, and from these Benches we salute him.

I note that although the Leader of the House said that later we would debate motions relating to the Procedure Committee's report on the election of the Speaker and the Deputy Speakers, only one of those motions appears on today's Order Paper. What has happened to the others, and when will they be debated?

May we have a statement from the Justice Secretary on the decision to return one of the killers of Jamie Bulger to jail? Does the Leader of the House agree with me—and, apparently, the Home Secretary—that unless there are very good reasons for keeping the information secret, it is in the public interest to know why Jon Venables has been sent back to prison?

Last week I was rebuffed by the right hon. and learned Lady when I asked for two days on Report for the Constitutional Reform and Governance Bill. As I predicted, the Bill has now been sent to the other place with many groups of amendments not debated. Given that the Bill will not receive its Second Reading in the Lords until 24 March, what hope does she have that the Government's flagship constitutional Bill will make it on to the statute book before the election?

Can we have a debate on the devastating report from the Public Accounts Committee today on the establishment of the Equalities and Human Rights Commission? Given that the right hon. and learned Lady was responsible for this, I hope she will find the time to explain the situation to the House.

Last week, the right hon. and learned Lady gave what she called a "strong hint" that next week's topical debate would be on international women's day. Does not she think it somewhat illogical to announce a topical debate two weeks in advance, and is she not in fact using a topical debate to escape from the Government's commitment to give the House one set-piece debate on this subject?

On timings, can the right hon. and learned Lady explain why the business in the Lords up until 26 March has been announced and published on the internet, but today she has given us the business only until 15 March? It would be unfortunate if the business question were added to that long list of questions the Government are unable to answer.

On the date of the Budget, the Prime Minister's spokesman said on Tuesday that it would be announced "if there is to be a Budget."

Will the right hon. and learned Lady clarify whether there will be a Budget, or have relations between the Prime Minister and his Chancellor now rendered that impossible?

Finally, can the right hon. and learned Lady give us the dates of the Easter recess? Last week the Leader of the House of Lords said that there were four and a half weeks before the Easter recess. If the Leader of the Lords can announce it in another place, why cannot MPs be told—or are we second-class citizens?

Ms Harman: I thank the right hon. Gentleman for his tribute to Michael Foot, who was, as he said, a great parliamentarian, orator and Leader of the House between 1976 and 1979. He was a passionate socialist. Everyone has commented that he was not only incredibly clever, but highly principled. I have very warm personal memories of him joining me in my by-election campaign in 1982. He went down a storm on the Walworth road, where he is fondly remembered to this day. We all miss him. His intelligence and commitment remained sharp right up until his death.

On the motions relating to the Deputy Speaker and Speaker, I have made it clear that Mr. Speaker has asked that we look into having elections for Deputy Speakers. I have made that undertaking and we can debate the motions on that subject this afternoon.

On the killers of Jamie Bulger, the court order requires anonymity and the processes have to be in compliance with that order.

If the Constitutional Reform and Governance Bill goes into the wash-up and does not complete its stages in the House of Lords, it will be for the Opposition parties to negotiate with the Government so that we can get through a great deal of what was in the Bill, much of which arose out of the Kelly proposals and pertain to the Independent Parliamentary Standards Authority. There are many things in the Bill that the House wants to see get through. If the Bill cannot find its way through the Lords, we will make sure at the wash-up that the provisions that the public want get through.

The right hon. Gentleman asked about the Equality and Human Rights Commission. That subject could be raised during the debate next week on international women's day. As it turns out, I was correct in anticipating that that would be a topical debate; it is going to be topical.

On the business of the House, I announce the business for the following week each Thursday; that is all I do. *[Interruption.]* No, anything after that is provisional. The business for next week is firm, so hon. Members can be clear and know what they are doing next week, but after that it is only provisional.

The Leader of the House—*[Interruption.]* Oh dear, I am going to have to get this right: the shadow Leader of the House made a point about the relations between the Prime Minister and the Chancellor. I would like to raise a point about the relations between the shadow Leader of the House and his party leader, however, because how on earth is he still prepared to serve under a leader of his party who, when he spoke the truth about Lord Ashcroft's tax status—

Mr. Speaker: Order. I must ask the Leader of the House to focus her remarks exclusively on the business for next week. *[Interruption.]* As she is indicating that she has finished her answer, I call the hon. Member for Somerton and Frome (Mr. Heath).

Mr. David Heath (Somerton and Frome) (LD): The entire Government are sounding a little provisional at the moment.

May I join in the tributes to Michael Foot? He was a member of a west-country radical family of some note, and came from a political age when it was felt important that Members of Parliament might have read a few books, as well as be able to grin inanely at a camera. He will be remembered with great affection.

We get used to people being appointed tsar of this and champion of that, but we actually have a rather important post of that kind: the Rural Advocate. The current Rural Advocate is Dr. Stuart Burgess, and his post is important because each year he can send a report about what is happening in our rural areas directly to the Prime Minister. He has done so today, and he has pointed out that, as a consequence of rural areas having no services, phones, internet or transport, they are losing young people, who are finding that they have to move away in order to have any hope of getting jobs. In rural areas, 40 per cent. of those aged between 16 and 24 are unemployed. I want to know what happens to these reports once they have gone to the Prime Minister, because I do not hear him talking about rural issues. I would like this House to do so, however, so may we have a debate on rural issues in the near future?

I have just listened to Business, Innovation and Skills questions, and there is clearly great concern about the difficulties facing small businesses and the opportunities open to them, so may we have a debate on small businesses? We might include in it a discussion of the future of the cheque book—a subject raised by my hon. Friend the Member for Cheadle (Mark Hunter)—because that issue also means a great deal to small businesses.

I note that there will be a debate on alcohol on 10 March, and hon. Members rightly feel very strongly about alcohol abuse. Some would argue that there is a case for hugely increasing the duty payable on alcohol, but may I ask—this is special pleading on behalf of my constituency—that artisan cider-makers are not forgotten in any such discussion, because they will be put out of business if there is a substantial increase in alcohol duty? Perhaps we could address that issue in our debate.

Yesterday during Prime Minister's Question Time, the Leader of the House managed to cause a great deal of excitement in the House every time she mentioned a certain Member of another place, which she did with great frequency. May I suggest today—in a rather quieter, more sensible and less hyperbolic way—that the issues to do with that have been conflated? There are, in fact, two issues, one of which is the quite extraordinary sums of money being given to political parties and then being spent in marginal constituencies. We have yet to grapple effectively with that issue, so may we have a debate on it?

The second issue is to do with appointments to this Parliament: commitments that are given, the way in which people are appointed to the House of Lords, and the proper principle that people should not make laws for this country if they do not pay taxes in this country. Can we have a separate debate on that? Perhaps we could tighten things up so that we do not have, as *The Daily Telegraph* put it today, the shadow Foreign Secretary being

"kept in the dark...for 10 years".

That is not the right way to manage a commitment given.

The shadow Leader of the House said that he had been "rebuffed" on an issue. I was not rebuffed but ignored by the Leader of the House last week when I raised what I thought was a perfectly proper matter. I am referring to one of the Prime Minister's ideas, which he set out in the "Governance of Britain" Green Paper as follows:

"The Government believes that the convention should be changed so that the Prime Minister is required to seek the approval of the House of Commons before asking the Monarch for a dissolution."

I am sure the Prime Minister would not say that if he did not mean it, and he would not mean it and then not do anything to bring it into effect, so when are we going to have the debate? When is the Leader of the

[Mr. David Heath]

House going to table the motion? When are we going to have the vote for the dissolution of this pretty awful Parliament?

Ms Harman: The hon. Gentleman raised the question of the Rural Advocate. Department for Communities and Local Government questions will take place next week, at which he will have the opportunity, if he so wishes, to raise the question of housing. It is very important to have affordable housing in rural areas, and it is important that planning authorities—not just Tory councils, but Lib Dem councils—ensure that they allow the planning of housing only if it includes affordable housing. Everybody should look closely at their own party's policies on that.

The hon. Gentleman will recognise that we have pressed forward on good health provision in, and on improving education in, rural areas, and that one of the reasons why we brought forward our "Digital Britain" paper was precisely to ensure that enterprise and economic initiative can go into rural areas, with high-speed broadband covering all areas. So there are further opportunities to debate that issue.

On small businesses, we have, as the hon. Gentleman said, just had Department for Business, Innovation and Skills questions. He will have an opportunity to raise the issue of artisan cider-makers again in next week's debate about alcohol.

The hon. Gentleman asked me to be less hyperbolic about the question of Ashcroft—[Hon. Members: "Lord."] He asked me to be less hyperbolic about Lord Ashcroft and his breach of his assurances on tax. May I say, Mr. Speaker, that I welcome the decision announced this morning by the Public Administration Committee that it will carry out an inquiry into this matter? I am afraid that I cannot offer to tone down my views on this, because the truth is that this is sleaze on a multi-million pound scale and the—

Mr. Speaker: Order. I absolutely understand that the right hon. and learned Lady does not want, in any way, to qualify or compromise her views, but I should make two points. First, we are making references to a Member of another place and that has to be done with considerable care. Secondly, from now on—the right hon. and learned Lady has said what she has said—we must focus our remarks on the business of the House.

Ms Harman: Well, Mr. Speaker, it is the business of the House when a Select Committee—

Sir Peter Tapsell (Louth and Horncastle) (Con): On a point of order, Mr. Speaker. Is it an acceptable—

Mr. Speaker: Order. We take points of order after statements. I call the Leader of the House.

Ms Harman: The hon. Member for Somerton and Frome (Mr. Heath)—[Hon. Members: "Withdraw it."] No, I am not going to withdraw it. The hon. Member for Somerton and Frome asked me a question about this. I am entitled to answer that question and I am entitled to put forward my views. I hope that when the Select Committee holds its investigation it will call the shadow Foreign Secretary, and I hope he will be more honest and forthcoming with the Committee than he has been over the past eight years.

Several hon. Members *rose—*

Mr. Speaker: Order. A particularly large number of Members—more than 40—are seeking to catch my eye today. The record shows over a period of many months that ordinarily I have sought to accommodate and been successful in accommodating everybody. I would like to be so again, but I think that it is extremely unlikely when more than 40 Members wish to contribute. The requirement for short questions and short answers is greater than ever. I call Celia Barlow.

Ms Celia Barlow (Hove) (Lab): Thank you, Mr. Speaker. My Tory opponent in Hove and Portslade has boasted in Brighton's *The Argus* that:

"We are on the target list. Lord Ashcroft is a supporter of target seats".

In addition to the Select Committee investigation, will the Government carry out an investigation and report, so that Members with marginal seats can work out exactly how much of the £15 million of central American money has been spent in each seat?

Mr. Speaker: I did not hear a request for a debate or a statement, but I assume that the hon. Lady is asking for one. I call the Leader of the House.

Ms Harman: I think that what my hon. Friend has shown is that there is deep disquiet about this—about the fact that the Conservative party has completely sacrificed its integrity for money and is trying to buy seats with the Belize dollar. I think we are entitled to feel that that is not acceptable.

Sir Peter Tapsell: Whatever the strength of views of the Leader of the House on any particular issue, does she not accept that, as the Leader of the House, she has a particular duty to observe the long-standing conventions of the House, and that one does not accuse another Member—either of this House or of another House—of an offence where, if the accusation were made outside this House, it would undoubtedly lead to an action for slander? Will she take this opportunity to withdraw the allegation that she made against the noble Lord?

Mr. Speaker: Order. The hon. Gentleman entered the House first in 1959 and has served without interruption in his present constituency since 1966, so he will know that business questions is the occasion to ask a question requesting either a statement or a debate the following week. That did not quite happen, but if the Leader of the House wants—*[Interruption.]* Order. I require no help from Back-Bench Members. If the Leader of the House wants briefly to respond to what has been asked, that is fine but thereafter I would ask that we move on and, in particular, that questions and answers relate to the business of the House next week.

Ms Harman: Questions on the business of the House is also an occasion to discuss what is going on in the House of Lords and in Select Committees—I am sure you would acknowledge that, Mr. Speaker. This morning, the Public Administration Committee announced that

it is going to look into this issue. I have not said anything in this House that I can say only in this House under cover of parliamentary privilege—what I have said is fact. It is actually a fact that Lord Ashcroft was only allowed to be in the House of Lords because he gave an assurance—that is, is it not, a fact? Is it not also a fact that it is now clear that he broke that assurance? That is a fact, and—

Mr. Speaker: Order. Let me just say to the Leader of the House and to all Members of the House that criticism of Members of the other place should be on a substantive motion. The points that have been made have been made extremely clearly, but I think it is reasonable and proper for me now—*[Interruption.]* Order. It is reasonable and proper for me now to ask hon., right hon. and right hon. and learned Members to focus on the business of the House next week. The Leader of the House has responded and I am grateful to her.

Mr. Robert Marshall-Andrews (Medway) (Lab): In a busy week, will my right hon. and learned Friend find time for the Prime Minister to come to the House to make a statement on the principles of universal jurisdiction and, in particular, to explain the serious and, indeed, colossal error contained in the article that he wrote in today's edition of *The Daily Telegraph*, where he maintains that arrest warrants for crimes against humanity and for war crimes may be obtained on the "slightest of evidence"? Nobody knows better than my right hon. and learned Friend that a district judge must find a good prima facie case for such crimes, as indeed happened in the case of Tzipi Livni. This is an important issue, so will she find time for such a statement?

Ms Harman: No one should be in any doubt about the fact that we remain strongly committed to the universal jurisdiction for the enforcement of international war crimes. The only question at issue is what the gateway to enforcement of those issues is and whether they should be able to be enforced by a member of the public, or whether enforcement should be carried out on the basis of a motion brought to the court by the public prosecution service. Let no one be in any doubt about the fact that we strongly support the universal jurisdiction—the question is just about the gateway to its enforcement.

Sir Michael Spicer (West Worcestershire) (Con): Why has the Leader of the House not tabled for debate the motion on the election of the Speaker?

Ms Harman: Because we are taking forward, in this afternoon's business of the House, issues that were raised by the Select Committee on Reform of the House of Commons, which was chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright). If we can agree by the end of the day on the election of the Chairs and members of Select Committees and on a new Committee of the whole House to agree not only Back-Bench business but Government business, and if we can, in addition, improve the procedure for getting Deputy Speakers, we will have taken great steps forward. We changed the rules when we elected our Speaker, which was the first election by secret ballot, so we have recently addressed that issue by introducing a new procedure for electing the Speaker.

Dr. Stephen Ladyman (South Thanet) (Lab): The teaching of English as a foreign language is a vital business activity in my constituency, but it is under threat because of proposed changes to visa rules, which mean that students who want to upgrade their language skills before going to university would have to return home and apply for another visa to come back again. Can we debate this matter? Failing that, will my right hon. and learned Friend nudge her colleagues in the Home Office and ask them to rethink those proposals?

Ms Harman: I will ask my colleagues in the Home Office to write to my hon. Friend about this matter. Obviously, foreign students are very important not only for the revenue that they bring into this country but because they increase and foster our global connections, which are important for our trade in a globalised economy. However, we have to make sure that the visa system, particularly the student visa system, is not abused and that people do not come here intending not to study but to work and to be students only as a secondary activity. That has to be cleared up, and that is what the Home Office is doing.

Mr. Lee Scott (Ilford, North) (Con): Will the Leader of the House make time for a debate on the scandalous amount of money being paid in medical negligence claims across our country? I have requested such a debate before, but it is vital, at this time, that we look into the scandalous amounts of money being paid, which have totalled £250 million in London in the past three years.

Ms Harman: If the hon. Gentleman, a member of his family or one of his constituents were the victim of medical negligence and suffered as a result, they would expect to be compensated for their pain, suffering and loss of earnings. The important thing is to improve patient safety. Certainly, if there is negligence, the NHS should settle to avoid paying high lawyers' fees. I do not think that we can say that people should put up with medical negligence, which can cause terrible pain and suffering, and that it should not be compensated. The answer is to improve patient safety, not to clamp down on litigation.

Mr. David Winnick (Walsall, North) (Lab): Having spent a great deal of time trying to clean up Parliament—I am in favour of the reforms and changes that have taken place—is it not important to have a statement early next week on the position regarding Lord Ashcroft, how he got his peerage, what promises were made on his behalf and what promises he made about paying UK tax in full? Could all the documentation on his peerage—correspondence and the rest of it—be placed in the Library as quickly as possible?

Ms Harman: I think that everybody would like to see the documentation relating to this matter. It is the responsibility of those who assert that Lord Ashcroft was given approval to go back on his assurance to put evidence in the public domain that that was the case. I will think about whether there is some way of making a statement that will allow this issue to be aired in the House, but the problem is that this is not actually a matter for government. The Government do not dictate who goes into the House of Lords: that was done through an independent process, but it involved assurances

[Ms Harman]

given by the right hon. Member for Richmond, Yorks (Mr. Hague), who is now the shadow Foreign Secretary. As I have said, a statement in the House is not needed for those who have the documentation to put it in the public domain, which they have signally failed to do.

Richard Younger-Ross (Teignbridge) (LD): May we have a debate on the effectiveness of youth intervention programmes such as the one in Teignmouth, which saw a 40 per cent. reduction in antisocial behaviour? Perhaps we could then get an explanation as to why the new Tory county council has cut the funding for that programme.

Ms Harman: That is a warning to people about what would happen if the Tories ever got back into government—we would see very important projects that are important to local communities being cut. I thank the hon. Gentleman for raising the issue of antisocial behaviour in business questions. No doubt, he can raise it in questions to the Department for Communities and Local Government next week. However, I note that antisocial behaviour orders, which I am afraid that his party voted against, are also important in this area.

Lynda Waltho (Stourbridge) (Lab): Will my right hon. and learned Friend consider scheduling a debate on the effects of public service cuts on local communities? As well as cutting meals on wheels, Tory-controlled Dudley council voted on Monday night to cut children's services, including those for children with disabilities, and drug rehabilitation services. The Conservative party is always asking us to judge it on how it treats the most vulnerable and how it runs its councils, and such a debate would allow us to make that judgment.

Ms Harman: My hon. Friend raises important issues for people in her constituency and in Dudley—meals on wheels, children's services and drug rehabilitation services. The evidence coming forth from Conservative councils is that the Conservatives just cannot be trusted with vital public services. Indeed, they seek to use the undeniable need to pay back the public deficit as an excuse to cut services. We would make sure that we paid back the deficit by halving it over four years, but while protecting front-line services.

Mr. Hugo Swire (East Devon) (Con): Many people feel that the Government's slavish obedience to the United States has corroded and undermined the special relationship. Can the Foreign Secretary make a statement to the House next week on the special relationship, given the unwelcome intervention of Secretary of State Clinton, with whom he wishes to have a special relationship, in the affairs of the United Kingdom regarding Argentina and the Falkland Islands?

Ms Harman: I do not think that the Foreign Secretary needs to return to the House on this issue. He made the position absolutely clear only this week regarding the Falklands and the right to self-determination. There is no question about their remaining part of the United Kingdom. I made that clear yesterday, and he has made it clear this week that they will remain in charge of their self-determination. There is no need to clarify the issue because it is absolutely clear.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): As my right hon. and learned Friend has mentioned, it is international women's day on Monday 8 March. Will she take that opportunity to make a statement about the tremendous support that Labour Governments have given since 1997 to women and hard-working families?

Ms Harman: I will accept that suggestion. I know that my hon. Friend is a champion of women in her constituency and this country. We should all remember that it is international women's day, and we currently have a very big opportunity to press forward the establishment of the new UN women's agency that will bring together the four parts of the UN that deal with women's issues so that we will have a single UN women's agency. That would be a great step forward this year.

Mr. Greg Knight (East Yorkshire) (Con): The Leader of the House still has not satisfactorily explained why she has cherry-picked from the recommendations of the Procedure Committee on the election of the Speaker and Deputy Speakers. Why are we being allowed to debate today only part of those recommendations, all of which appear on the Order Paper, with the remaining matters in the remaining orders? Why did she table all the recommendations, but move only half of them above the line cutting off matters for debate today? It seems to me that, by her actions, she has made an unanswerable case for a House business committee, so that never again can this sort of gerrymandering take place.

Ms Harman: I actually agree that there is an unanswerable case for a House business committee. That is why we have tabled a motion that will lead to the establishment of such a committee, and that is why I will vote for the amendment that would extend its remit to Government business. We have had the process for electing the Speaker, and I hope that we will move forward to agree a similar process for the election of Deputy Speakers.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The Leader of the House has referred to next week's debate on the Transport Committee's report "Taxes and charges on road users". It is very important that a Treasury Minister as well as a Transport Minister is present to answer questions on that report, yet the Treasury has refused that request. Does she share my concern, and will she investigate this important matter?

Ms Harman: I pay tribute to my hon. Friend's leadership of the Transport Committee, and to the very important work that it has undertaken. As far "Taxes and charges on road users" is concerned, I am sure that the Transport Minister will be fully co-ordinated with the Treasury when he or she comes to answer the debate next Wednesday and that they will be able to respond on behalf of the Government as a whole.

Mr. Michael Jack (Fylde) (Con): The right hon. and learned Lady will understand the importance of certainty for the operation of financial markets but, in not responding to the question from my right hon. Friend the Member for North-West Hampshire (Sir George Young) about the Budget date, she has created more uncertainty about how the Government will deal with our record deficit. With effectively only three weeks to the end of March, will she explain why she cannot tell us today when the Budget will take place?

Ms Harman: It is my responsibility to announce the business for next week, and the right hon. Gentleman will see that that does not include the Budget. He will just have to wait and see when it is announced in the usual way. Meanwhile, the important thing is that we get on with ensuring that we do not pull the plug on the economy, as would happen if his party were in government. We must continue to support the economy through public investment and active intervention, and by making sure that we do everything that we can to protect people, and particularly the younger generation, from unemployment.

Barry Gardiner (Brent, North) (Lab): May we have a debate about companies that are deliberately and specifically set up as non-trading and loss-making, such as Bearwood Corporate Services Ltd? The debate could perhaps explore whether our tax regime allows such company losses to be used to offset other tax liabilities that might be due to the Exchequer.

Ms Harman: I will ask my right hon. Friend the Chancellor, or perhaps it should be the Business Secretary, to look into this. Obviously, we all want the maximum transparency, but that is clearly not the case with the issue that my hon. Friend raises.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Labour and the Tories have thrown allegations about peerages at each other, and the police have conducted their cash-for-peerages investigation in Parliament. Given all that, may we have a debate about when we will have the fully elected second Chamber that this House has voted for? At a stroke, it would end the allegations about both Lords Paul and Ashcroft, and allow fully democratic parties such as the Scottish Nationalist party to take part—if, of course, Scotland is not independent before then.

Ms Harman: The hon. Gentleman will know that we have taken forward proposals to ensure that we have an elected House of Lords. Indeed, this House has voted to change our constitutional arrangements and have an elected House of Lords. I agree with him on that.

Clive Efford (Eltham) (Lab): May we have an urgent debate on matters that are before the Electoral Commission? There is concern that some issues of significant public interest—the activities of people such as Lord Ashcroft in trying to influence the general election, and the illegal use of foreign money to finance political parties—might not be reported on until after the general election. A debate would give us an opportunity to stress to the Electoral Commission that these matters are in the public interest and should be reported on before the general election.

Ms Harman: There will be an opportunity to put questions about the Electoral Commission at oral questions on Thursday 11 March.

Mr. Edward Leigh (Gainsborough) (Con): When will the Leader of the House allow the House to vote on the Procedure Committee's recommendation that the House must decide whether the Speaker is re-elected by secret ballot?

Ms Harman: The arrangements for the Speaker were changed recently, and I have brought forward motions to improve in a similar way the arrangements for getting the new Deputy Speakers. Those motions can be debated and voted on in the House this afternoon.

Mrs. Ann Cryer (Keighley) (Lab): Can we have an early debate on the findings of Sir Roger Singleton when he finalises his report on the treatment of children in madrassahs and other religious, part-time schools?

Ms Harman: My hon. Friend will have an opportunity to ask those questions at next week's Department for Children, Schools and Families Question Time. I pay tribute to her for the concern that she has shown for all the children in her constituency, including those who go to madrassahs.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I ask the Leader of the House whether we can have an early debate on the processes for re-electing Mr. Speaker? She will know that there are two motions, 69 and 74, in her name on today's Order Paper. One is in favour of the status quo, and the other is in favour of the secret ballot used for electing the Chairmen and members of Select Committees, and the Deputy Speakers. Why have we got two motions in the right hon. and learned Lady's name, and when will we be given the opportunity to speak and vote, and to determine the matter one way or another?

Ms Harman: The substantive motion on the Order Paper for debate and voting on this afternoon is about the election of Deputy Speakers. It will bring the arrangements into line with those that we have agreed for the election of the Speaker. We have already changed that process: indeed, our current Speaker was elected by a ballot of all hon. Members.

Mr. Richard Caborn (Sheffield, Central) (Lab): May I ask my right hon. and learned Friend to make time available urgently next week to debate the Ashcroftgate affair? We are moving towards a general election, and allegations have been made that really need to be cleared up, as they go to the heart of our democracy. They also go to the heart of a political party that wants to become the Government after the election. It is an important matter, as I am now getting correspondence from constituents asking how a person can spend £120 million and still not pay taxes in this country.

Ms Harman: Once again, I will give consideration to the point that my right hon. Friend makes. There is clearly a desire in the House to understand what has gone on, and he is right to say that the affair affects both our democracy and public trust in it. On Sunday, the Leader of the Opposition said that he was in favour of transparency, but we discovered on Monday that we have had nine years of smokescreen and secrecy. On Sunday, he said that he was in favour of new politics, but on Monday we discovered that this was the same old sleaze from the Tories.

Dr. Andrew Murrison (Westbury) (Con): The Leader of the House will share my concern at reports from service charities and in the press about the plight of ex-Gurkhas. Apparently, they are being offered spurious

[Dr. Andrew Murrison]

money advice by unscrupulous organisations in Kathmandu, even though the same service is available free from the Gurkha Settlement Office. Can we have an urgent debate on the matter, and will she raise it urgently with her colleague the Defence Secretary?

Ms Harman: I thank the hon. Gentleman for raising the matter. I will raise it with the Defence Secretary and with Ministers from the Foreign and Commonwealth Office to make sure that information is given to people so that they are not exploited.

Mr. David Drew (Stroud) (Lab/Co-op): In the last Session, I introduced a private Member's Bill on financial disclosure. It demands that anyone standing for election or placement in another place must provide full financial disclosure, including tax returns. Is that a Bill that the Government might like to introduce, as a matter of urgency, so that we can clean up the mess that we are in?

Ms Harman: Again, my hon. Friend raises a very important point, and the Government will have to reflect on it. The assumption has always been that people would play fair and by the rules, with everyone working to shore up confidence and trust in our democracy. I agree that we need to restore confidence: the background to the matter is our deep concern about the money—the tens of millions of pounds—that should have gone to pay taxes, but which has gone to the Conservative party instead.

Philip Davies (Shipley) (Con): May we have a debate on the desirability or otherwise of positive discrimination in the workplace? During that debate perhaps the Leader of the House will explain why she is so in favour of all-women shortlists in every single constituency around the country, apart from when her husband is seeking selection, and whether she considers that to be sleaze.

Ms Harman: Even I am not in favour of 100 per cent. all-women shortlists, although when I see the hon. Gentleman it tempts me to think that I might be mistaken. Unlike the Conservative party, more than half our shortlists are all-women—more than half. With regard to the fewer than half of shortlists that are open shortlists, anyone can apply, both women and men. Indeed, women have been chosen from some of the open shortlists that we have had.

Mr. Speaker: Order. I was probably over-generous in allowing the hon. Member for Shipley (Philip Davies) to ask that question, which did not obviously relate to the business of the House next week. There have been accusations and counter-accusations of sleaze. I really think that it would be for the benefit of the House and our reputation with the electorate if we were to move on from those matters.

Mr. Denis MacShane (Rotherham) (Lab): May we have an urgent debate next week on parliamentary language? The Clerks, one of whom I think was present, will confirm to you, Mr. Speaker, that 10 years ago, your predecessor but one accepted as parliamentary language my adumbration to Lord Sleaze of Belize. I will not use that again, but it is clear that we now have a serious problem, because what I raised 10 years ago has turned out to be true, but now the real question is the dissembling and cover-up of leaders of the Conservative party, which deeply shame our democratic parliamentary proceedings.

Mr. Speaker: Order. The Leader of the House, I know, will relate her reply to whether there is a forthcoming statement or debate, or a parliamentary reference of some sort.

Ms Harman: Once again, there is evident concern. There are questions to be answered that pertain to our democracy. They are not to be answered by the Government. The Select Committee investigation will be important, but I will think whether there is any way in which we can assist light being shed, because there are genuine concerns and fears.

Mr. Christopher Chope (Christchurch) (Con): Is the Leader of the House ashamed of herself for the dissembling way in which she has answered questions about the election of the Speaker following the return of Parliament? She has tabled motion 69 in her name, which is not yet available to be debated in the House. Can she assure the House that she will not withdraw—

Mr. Speaker: Order. I must ask the hon. Gentleman to withdraw the word "dissembling". I have a matter of seconds ago indicated to the House that we should have seemly exchanges. That word in this context is not seemly. I ask the hon. Gentleman to withdraw it and to complete his question in parliamentary language. *[Interruption.]* Order. That is the request, and I expect it to be honoured.

Mr. Chope: I am saying to you, Mr. Speaker, that, obviously, if you say that the word "dissembling" is non-parliamentary, I will withdraw it, but it does not alter the substance of my question to the Leader of the House. She has put down motion 69 calling for the re-election of the Speaker at the beginning of the Parliament to be with a secret ballot. She is now saying that she has no proposals to debate that or to allow a vote on it. Is she now proposing to withdraw motion 69 from the Order Paper so that we are deprived of the opportunity of voting on the first report of the Procedure Committee? If not, what will she do about it.

Ms Harman: The motions on the Order Paper and the amendments to those motions that are for debate and decision this afternoon arise from the Wright report. If we can get on with agreeing not only the election of Deputy Speakers, but with the election of Chairs of Select Committees, the election of members of Select Committees and a new House Committee to decide Back-Bench and non-Government business, we will have done a good days' work.

Talking about unparliamentary language, I could hear somebody behind me—I think that it might have been my Parliamentary Private Secretary—saying "He's Chopeless." I wonder whether that is unparliamentary.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. and learned Friend accept from me that I would like a debate on Lord Paul? I have been a friend of his and an admirer of what he has done for British

business and manufacturing for many years. He has never sought control of the Labour party or influence in marginal seats. I would be happy to see a debate on a motion comparing Lord Paul with Lord Ashcroft, because I think that he would come out damned well.

Ms Harman: There is, of course, absolutely no comparison. As I understand it, Lord Ashcroft was a British citizen, who—I will be corrected if I am wrong—left the country for tax purposes, whereas Lord Paul is an industrialist from India who has genuinely global financial interests, who has never made any dissemblance about his tax status and who never gave any assurances. The point about Lord Ashcroft is that he gave assurances in order to get into the House of Lords and then breached those assurances.

Mr. Speaker: Order. We must not go further on these matters. There has been a request for a debate or a statement. That request has been answered. We move on now. I know that the House will want to hear Jo Swinson.

Jo Swinson (East Dunbartonshire) (LD): The Leader of the House may have seen today's distressing reports on the BBC about the increased rate of birth defects in Falluja, which are now 13 times higher than what we see in Europe, and there is a concern that that is as a result of weapons used by the United States during the Iraq war. May we have a debate about this issue, so that we can hear from the Foreign Secretary what representations he is making to his US counterpart about this appalling legacy of the Iraq war?

Ms Harman: There will be a debate on Monday week on defence in the world, which might be an opportunity to air those concerns.

Mr. Dennis Skinner (Bolsover) (Lab): In a further request to my right hon. and learned Friend about the need for a debate next week on the Ashcroft affair, may I suggest that if someone is not paying taxes and is giving money to the Tory party all over Britain, in essence the British taxpayer is bankrolling the Conservative party? Secondly, will she ensure that the Leader of the Tory party and the shadow Foreign Secretary are asked the appropriate questions: what did they know and when did they know it?

Mr. Speaker: Order. I must ask the Leader of the House not to respond to that question. The hon. Member for Bolsover (Mr. Skinner) has put his thoughts clearly on the record, but I am afraid that it is not a business question.

Sir Nicholas Winterton (Macclesfield) (Con): My Macclesfield constituency has a substantial rural area, including hill country. May I support the request made by the hon. Member for Somerton and Frome (Mr. Heath) for a debate on the rural economy and the report of the Rural Advocate? Rural areas are suffering tremendously from the closure of shops and schools, very little public transport and the withdrawal of post office facilities, and this is critical to large areas of the country. May we have a debate on it, please?

Ms Harman: I know that the matter that the hon. Gentleman raises is wider than just housing—he has mentioned schools, transport, health services and the economy—but there will be an opportunity to raise the question of housing at Communities and Local Government questions next week. One thing that has been important for the rural economy is the minimum wage, which his party opposed, and one thing that is important for the rural economy is the opportunity for people to have affordable housing, and it is often Conservative councils that oppose planning applications for affordable housing by housing associations.

Tony Lloyd (Manchester, Central) (Lab): Will my right hon. and learned Friend look again at the request for an early debate on the role of the Electoral Commission? If the public are to retain faith in the probity of our electoral system, we need the Electoral Commission to come under pressure to answer the questions about whether filtering central American money into political parties in this country is legitimate, both legally and morally.

Ms Harman: It is urgent that all these points are answered, and there will be an opportunity to raise the matter in questions on the Electoral Commission next Thursday.

Dr. Julian Lewis (New Forest, East) (Con): Before asking my question, I must point out that the Electoral Commission has just stated that Lord Ashcroft's donations were legal and permissible.

May we have a debate on the subject of the strategic importance of oil refineries to the United Kingdom? I have just raised that matter at Business, Innovation and Skills questions without having a substantive answer. The renewable heat incentive could destroy the narrow profit margins of all oil refineries in this country. This is a non-partisan request. We all support the principle of the incentive, but we do not wish to see oil refining in this country destroyed.

Ms Harman: Well, we have just had an Energy Bill, and that looks across a wide range of those issues. I do not know whether the hon. Gentleman sought to introduce amendments or to make that point during the Bill's proceedings, but he could look out for the next opportunity to do so in Energy and Climate Change questions.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May we have a debate on the rights of people to work after the age of retirement, at 65 years old, if they are fit and wish to do so? My right hon. and learned Friend will agree that it is wrong for employers, including the House authorities, to force people to retire. Supervisors have been telling employees in this House that they cannot work beyond 65, but who has the authority to give the supervisors the right to tell people that they cannot work beyond that age?

Ms Harman: My hon. Friend raises an important point, and no employer needs to fire people aged 60 or 65; employers can, if they want, employ people after those ages if they are fit and able to do their work. A number of private sector companies do exactly that, and he will know that we are looking into whether we should change the default retirement age, so that people

[Ms Harman]

are protected from unfair dismissal beyond the ages of 60 and 65. There will be questions to the House of Commons Commission next Thursday, but in the meantime I shall inquire into the matter with the House authorities. I thank my hon. Friend for bringing the matter to my attention.

Mr. Paul Burstow (Sutton and Cheam) (LD): On Monday this week, 170 families in the London borough of Sutton learned that their children will not be obtaining a high school place in the borough. At the same time they learned that 986 children from outside the borough will be taking up places in high schools in the borough. May we have a debate about early-day motion 686, on the Greenwich judgment and school admission policies?

[That this House notes that successive Government's have rejected calls for a change in the law to reverse the effect of the Greenwich judgment on the operation of local school admission policy; is concerned that as a result of the court judgment admission authorities are not allowed to take into account administrative boundaries when allocating school places; believes that parents and children living in a local authority area should be able to expect to obtain a place at a local school in that area; and calls on the Government either to bring forward its own legislation to grant local admission authorities the discretion to give priority to the school preferences of parents resident within the local authority area or to support provisions of the hon. Member for Sutton and Cheam's Fair Access to School (Admissions) Bill.]

Then we can finally ensure that the matter is sorted out. It is unfair to children in my constituency, who cannot go to schools just down the road from where they live.

Ms Harman: There are Children, Schools and Families questions next Monday, when I am sure that the hon. Gentleman will be able to obtain a specific answer on that.

Ms Dari Taylor (Stockton, South) (Lab): My right hon. and learned Friend will know that the steel industry faces very difficult times. On Teesside, it is believed that the owner of Corus, Tata, has threatened to close our slab steel mill, which is currently mothballed. Is not it time that the House discussed the steel industry, acknowledging that it is an essential industry that has been the backbone of our manufacturing sector for more than 200 years?

Ms Harman: I acknowledge all the points that my hon. Friend makes. She is absolutely right in how she characterises the importance of the steel industry, and I shall look for a further opportunity to debate those issues.

Points of Order

12.33 pm

Dr. Julian Lewis (New Forest, East) (Con): On a point of order, Madam Deputy Speaker. At Business, Innovation and Skills questions earlier this morning, the hon. Member for Glasgow, South-West (Mr. Davidson) asked a question that was rather wide of the question on the Order Paper, and Mr. Speaker ruled that the Minister should not answer it. It was about the future of our aircraft carriers. Is there any way in which I can point out, within the rules of order, that the suggestion that there was a difference between the Conservative party's position and that of the Government on the future of the aircraft carriers was, in fact, unsound, and that both parties believe that the project should go forward, subject to the findings of the strategic defence review? I should be grateful if there were a way of correcting the record.

Madam Deputy Speaker (Sylvia Heal): The hon. Member will not be surprised if I say to him that his point was not a point of order for the Chair, but his comments will have been heard and will be on the record.

Mr. Edward Leigh (Gainsborough) (Con): On a point of order, Madam Deputy Speaker. The Speaker is rightly committed to openness and transparency, so will you confirm that no one in the Speaker's Office was in discussions with the Leader of the House about ensuring that we do not have an opportunity to vote on the re-election by secret ballot of the Speaker? Will you use your good offices to persuade the Leader of the House to hold that vote, which so many people want?

Madam Deputy Speaker: That is not, strictly speaking, a point of order for the Chair. It is for the Government to decide what will happen on that matter, and the hon. Gentleman's comments will have been heard. The Leader of the House is still in the Chamber.

Mr. Christopher Chope (Christchurch) (Con): On a point of order, Madam Deputy Speaker. Earlier today, Mr. Speaker said that any substantive criticisms of a Member of the other place should be made by way of a substantive motion, rather than by oral references. Yet you will know that throughout Prime Minister's questions yesterday and, again, today, smears and innuendos have been levelled against a noble Lord—a Member of the other place. Surely there should be some consistency, and if that is a rule it should apply from the outset, instead of rather late in the day.

Madam Deputy Speaker: I understand what the hon. Gentleman is saying, but I remind him that Mr. Speaker has certainly made the position quite clear and quite plain from the Chair today.

We now come to announce the results of the Divisions deferred from a previous day. On the question relating to social security, the Ayes were 404 and the Noes were 53, so the Ayes have it. On the question relating to licences and licensing, the Ayes were 245 and the Noes were 162, so the Ayes have it.

[The Division lists are published at the end of today's debates.]

Prevention and Suppression of Terrorism

12.36 pm

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): I beg to move,

That the draft Terrorism Act 2000 (Proscribed Organisations) (Amendment) Order 2010, which was laid before this House on 1 March, be approved.

First, I thank the right hon. Member for Penrith and The Border (David Maclean) and the Joint Committee on Statutory Instruments, which he chairs, for agreeing to consider the order today.

The terrorist threat to the United Kingdom and its interests abroad remains severe and sustained. This week we have already debated the draft Prevention of Terrorism Act 2005 (Continuance in Force of Sections 1 to 9) Order 2010, and I know that the hon. Member for Reigate (Mr. Blunt) shares my assessment of the situation. We as a Government are determined to do all that we can to minimise that threat, and the proscription of terrorist organisations is an important part of the Government's strategy to tackle terrorist activities at home and abroad.

With this order we would therefore like to add the group, al-Shabaab, to the 45 international terrorist organisations that are listed under schedule 2 to the Terrorism Act 2000. This is the eighth proscription under the 2000 Act. Section 3 of the Act provides a power for my right hon. Friend the Home Secretary to proscribe an organisation if he believes that it is concerned with terrorism. The Act specifies that an organisation is concerned with terrorism if it commits or participates in acts of terrorism, prepares for terrorism, promotes or encourages terrorism—including the unlawful glorification of terrorism—or is otherwise concerned with terrorist activity.

Keith Vaz (Leicester, East) (Lab): I am grateful to my right hon. Friend for setting out those criteria. Have the Government received evidence that that particular organisation, al-Shabaab, has been involved in any of those activities? Has he seen that evidence? Is that, therefore, why he has come before the House with this order?

Mr. Hanson: I am grateful to my right hon. Friend. I was going to come to this point later in my speech, but I shall happily cover it now. He will know that the organisation, al-Shabaab, is currently and actively concerned with terrorist activity. I cannot go into the details of every aspect, because we are aware of matters that we cannot disclose to the House for a range of reasons, but the group has waged a violent campaign against the Somali Transitional Federal Government, and against the African Union peacekeeping troops in Somalia since the beginning of 2007. It has undertaken a range of terrorist tactics, such as suicide operations and roadside bombings, and mounted a range of operations since 2007, including in June 2009 in Beledweyne, one of the largest cities in Somalia, a suicide car bomb attack that killed the transitional Government's Security Minister and, as a random act of terrorism, about 30 other people in the process.

The organisation has launched terrorist attacks outside areas under its control, most notably in October 2008, when five co-ordinated suicide attacks were mounted against targets in Somaliland and Puntland, including the Ethiopian embassy, the presidential palace and the United Nations Development Programme compound. In September last year, al-Shabaab released a video statement in which it pledged its allegiance to Osama bin Laden. As recently as 2 February 2010, it announced its intention to combine the jihad in the horn of Africa with the global jihad led by al-Qaeda. I hope that that helps to give my right hon. Friend a flavour of some of our concerns in relation to the international operation of al-Shabaab.

Keith Vaz: It certainly does. However, Ministers came to the Dispatch Box and said very similar things to the House about the People's Mujahedeen Organisation of Iran, and the Government lost that case under the proscribed organisation legislation. We have to be very careful about this. Clearly, al-Shabaab has been involved in these activities abroad, but does the Minister have any evidence that it is operating in the United Kingdom—where he is a Minister and we are the Parliament—and engaged in any of the activities that he has described? I have not seen that evidence, and other Members of this House have not seen it—has he seen it?

Mr. Hanson: I hope that my right hon. Friend will accept that, as I said, we are aware of a range of issues in relation to that evidence about which we are unable to give details to the House. I can say, however, that we remain concerned that the activities of the organisation and its potential influence on individuals in the United Kingdom meet the legal test that we have to meet to ensure that proscription takes place. Proscription is a tough and necessary power, but it involves specific tests that need to be met. At the beginning of my speech, I outlined the details of the particular activities that we need to consider.

I say to my right hon. Friend, and to the House as a whole, that in the event of the organisation or its agents wishing to make representations about the proscription order, they can do so following the consideration of my right hon. Friend the Home Secretary. If he upholds the order, the applicant can appeal to the Proscribed Organisations Appeal Commission, which is a special tribunal that will review whether my right hon. Friend has properly exercised his powers in refusing to de-proscribe the organisation. The commission is able to consider the sensitive material to which we have had access, which underpins proscription decisions, and a special advocate can be appointed to represent the interests of the applicant in closed sessions of the commission. We believe that the international evidence shows that there is a real need to take action against al-Shabaab. We are convinced, having looked at the evidence internally, that there is evidence which would be upheld by that legal test and which we, as a nation, could defend if the appeal came forward in due course.

I would also say to my right hon. Friend that, having considered all the evidence, my right hon. Friend the Home Secretary firmly believes that al-Shabaab is currently concerned with terrorism and is involved in the activities that I have described to the House. Indeed, there is not only a concern in the United Kingdom but an international consensus of condemnation of the organisation's activities. For example—I hope that this further reassures my right hon. Friend—the organisation is already proscribed in the United States, Australia and New Zealand. Our

[Mr. Hanson]

actions today, if approved by this House and in another place later on, will help to protect the United Kingdom against terrorist activity.

We are actively examining the situation. As my right hon. Friend will know, we cannot comment directly on intelligence matters, but I have made an assessment, with my right hon. Friend the Home Secretary, that there is a small but genuine risk that British nationals and British interests may be harmed as a result of al-Shabaab's activities in Somalia and, indeed, in the wider region.

Andrew Mackinlay (Thurrock) (Lab): The Minister prayed in aid the fact—I am sure that he is correct—that the United States of America and Australia have proscribed this organisation. May I respectfully remind him that the United States Congress and the federal Parliament of Australia both have a security and intelligence committee that is a committee of the Parliament, but we do not? Unless and until the Prime Minister and this Minister understand that there is a serious flaw—a deficiency—in our procedures here, in that there is no parliamentary oversight, there will always be some doubt as to the efficacy of some of these decisions. It is a serious, fundamental flaw.

Mr. Hanson: I respect my hon. Friend, who always takes a keen interest in these matters. He will know that there is an Intelligence and Security and Committee comprising senior Members of Parliament—of this place and another place—who can call to account my right hon. Friends the Home Secretary and the Foreign Secretary, and the head of the security services, to consider these issues. As I explained to the House, there is a procedure whereby organisations that are, under the legal test of proscription, brought before the Home Secretary for proscription purposes, can ask the Home Secretary to reconsider that decision. There is an independent process for looking at the evidence and assessing whether he has acted accordingly and in an appropriate manner.

Andrew Mackinlay: I do not know why this Prime Minister, like the previous one, and Ministers are so cussed about this. As sure as night turns into day, one day a Prime Minister will create a parliamentary Committee. The committee to which the Minister refers is not a parliamentary Committee—it is clerked by a spook. That is the reality of the situation. In the Congress of the United States, which he prayed in aid, and in Australia, these are parliamentary committees. They meet in private, because these matters are secret, and everyone has confidence in them. Why cannot the Minister get his head around the issue that there should be such a committee here? It does not matter how distinguished our colleagues are: they are hand-picked by the Prime Minister with the rubber stamp of Mr. Evans and his people—spooks.

Mr. Hanson: My hon. Friend has made his point in his usual forceful manner. I am sure that my right hon. Friend the Prime Minister will pay attention to this debate and note the comments that he has made. I simply say to the House that there is a procedure and that it is tested. There is a genuine legal test for proscription, and my right hon. Friend the Home Secretary has to ensure that that test is met. It is open to challenge and open to defence.

We are bringing this order forward not only in response to the litany of issues that I have mentioned in response to my right hon. Friend the Member for Leicester, East (Keith Vaz) but because it is important that proscription will allow the police in the United Kingdom more effectively to carry out disruptive action against supporters of this organisation in the United Kingdom. It also sends a very strong message from the United Kingdom that we are not willing to tolerate terrorism here or anywhere else in the world.

Keith Vaz: It is essential that the Government keep the list of proscribed organisations under review. The Minister knows, because I have raised it with him before, the situation regarding the proscription of the LTTE—Liberation Tigers of Tamil Ealam. As far as everyone is concerned, the LTTE is finished. The war is over and the leader of the LTTE is dead, and the Sri Lankan Government are confident about all that. Why does that organisation remain on the list when it no longer exists?

Mr. Hanson: I know that my right hon. Friend knows the procedure, but it is worth outlining it to the House as a whole. We keep the list of proscribed organisations under review. When I was Minister of State at the Northern Ireland Office, several proscribed organisations in Northern Ireland went in and out of proscription as their status changed to reflect their activities in relation to the peace process. The position of the organisation that my right hon. Friend mentions will be reviewed on a regular basis by my right hon. Friend the Home Secretary. It can, as can the organisation that we are discussing, apply to my right hon. Friend for de-proscription, and he will consider that.

My hon. Friend the Member for Thurrock (Andrew Mackinlay) will have noticed that we are in the House of Commons Chamber having a debate about the order. Later on, in another place, my noble Friend Lord West will introduce the same order, and there will be a debate there. Neither House needs to approve the order today. There could be a vote after one and a half hours, and if I, or my noble Friend, have not made the case, the proscription order will not be passed. There is parliamentary oversight of this matter.

Mr. Crispin Blunt (Reigate) (Con): While we are on the subject of the LTTE, I notice that the policy background notes say:

> "It is also a criminal offence to arrange a meeting in support of a proscribed organisation or to wear clothing or to carry articles in public which arouse reasonable suspicion that an individual is a member or supporter of the proscribed organisation."

The Minister will recall the great difficulty that Parliament had during the long demonstration that took place in Parliament square. Now that the environment is less heated, can he tell us why no action was taken under that aspect of the law during that demonstration?

Mr. Hanson: The LTTE has been a proscribed organisation since the Terrorism Act 2000 came into force because, since the 1970s, the group had carried out numerous terrorist attacks in Sri Lanka as part of its campaign to secure a Tamil homeland. Although support for the LTTE is unlawful, the Tamil community has the right to support that aim, and to discuss and make their views known on the matter. We have a long and proud

tradition of freedom of speech and assembly, and it is important that those who support the Tamil cause can express their views in Parliament square. Clear action can be taken under proscription legislation if individuals support organisations that are proscribed, but I have no problems with individuals demonstrating in Parliament square, provided that they are not demonstrating support for an organisation that is proscribed under these rules.

Ultimately, it is for the police to consider whether to take action on these matters. We provide a framework and the police make the operational decisions and determine whether charges should be brought under the relevant legislation for this and other proscribed organisations.

Mr. Blunt: In that case, is it the Minister's view that offences did not occur during that demonstration and that is why no action was taken?

Mr. Hanson: One of the great joys of being a Minister is that I do not have to decide whether offences have been committed. That is the job of the police, not the Minister with responsibility for policing, and that is part of the separation of powers. We will provide the framework, the funding, the support and the general policy direction, but ultimately it is for the Metropolitan Police Commissioner to determine whether prosecutions should be suggested to the Crown Prosecution Service so that charges may be brought. The right to protest is valid, and I have not seen any evidence that the terms of the 2000 Act were broken nor of charges being brought as a result of that demonstration, so—self-evidently—the police must have taken the same view. The policing of the demonstration was very effective.

Ms Dari Taylor (Stockton, South) (Lab): I hope that my right hon. Friend realises that Members have concerns about this order. If there is no evidence that this organisation, al-Shabaab, exists or is behaving in a way that is causing serious concern, some in our community—with some justice—will be concerned that the Government are exaggerating the existence of terrorist threat in this country. That is the last thing that we should ever wish to countenance.

Mr. Hanson: The order is being debated and can be voted on. I have already told the House about the five suicide attacks, including one on the Ethiopian embassy; an attack on the United Nations development programme; a double suicide bombing against the African Union mission in Somalia; a suicide vehicle-borne device attack on 18 June 2009 against a hotel, killing the Security Minister and 30 other innocent individuals; and the responsibility for the attack on Mogadishu with 21 deaths. It is my opinion and that of my right hon. Friend the Home Secretary that those incidents are evidence internationally of the intentions of the organisation. As I have said, I cannot comment on security matters in this country in detail, but we have made our assessment, based on that information, of whether the organisation should be proscribed.

I give my hon. Friend the assurance that it is open to the organisation—as it is to Islam4UK, which we proscribed only some four to five weeks ago—to apply to the Home Secretary for de-proscription. Proscribed organisations can test the Home Secretary's rationale on these matters and, if they are not content, they can appeal to the appropriate committee. The House, and the other place, also have the opportunity to vote on the order today. The safeguards are in place, so I ask the House for its support.

I know that many right hon. and hon. Members have constituents from Somalia or who look to Somalia as their ancestral homeland, and I want to assure them that the Somali community is respected and valued. It plays a positive part in our community and nothing in this order will prevent members of the Somali community from visiting Somalia or sending money to relatives. Nor will it prevent the Somali community from openly discussing issues pertinent to them or the situation in Somalia. Indeed, nothing in the order will stop any individual or organisation having a political view on the situation in Somalia as a whole—

Keith Vaz: The Minister has been very generous in giving way, but what he has just said simply is not the case as far as other proscriptions are concerned. The hon. Members for North Southwark and Bermondsey (Simon Hughes), for Richmond Park (Susan Kramer), for Kingston and Surbiton (Mr. Davey) and for Brent, East (Sarah Teather) and I—and others—have had to make representations in the last few years when Tamil organisations unconnected to the LTTE have sought to book rooms, for example in the ExCeL centre, and have been prevented from doing so because the LTTE was proscribed. Two of the leaders of those Tamil organisations were then subject to interview by the police. That is why we are concerned, despite the Minister's reassurances. As soon as an order is passed, it has a draconian effect on communities unconnected with the organisation concerned.

Mr. Hanson: The 2008 Act is clear. It says that individuals should not undertake activity that supports acts of terrorism, or prepares, promotes or encourages terrorism. Nothing would stop any organisation booking a room in a building if it were not one of the proscribed organisations and not undertaking one of those activities, and as long as its members were not wearing insignia and supporting or glorifying the proscribed organisation. It is perfectly legitimate to have a view, as many Tamil residents of the UK do, on the situation in Sri Lanka, as it will be for any resident to have a view on the situation in Somalia. What is not allowed under the proscription order is for individuals to support a particular organisation if we have determined that it is involved in the activities described in the legislation.

Tom Brake (Carshalton and Wallington) (LD): What action would the Minister be willing to undertake if organisations that are nothing to do with this particular Somali group encounter the sort of problems that the Chair of the Home Affairs Committee described?

Mr. Hanson: With due respect, it is not for me to micromanage those sorts of issues. Ultimately, it is for the Home Secretary, having assessed the international situation and considered the information from the UK—about which I cannot go into detail—to determine whether the organisation is involved in activity that allows the proscription order to be brought forward for the House to consider.

It is for the police to make individual charges in relation to breaches of the proscription order, but this is not about a wider curtailment of political debate on

[Mr. Hanson]

issues such as Sri Lanka, Northern Ireland, Somalia or any other geographical or topical interest in which proscribed organisations happen to be interested. When we had the debate on Islam4UK, we did not prevent people from discussing the situation in Iraq or Afghanistan, and we are not preventing them from protesting against the Government on those issues or from saying that the Government have different views from theirs on any particular issue. As I described to the House earlier, we are trying to provide legal powers, using the legal test, to stop the organisation.

I hope that my right hon. and hon. Friends, as well as Opposition Members, will support the order. It has been brought forward with due consideration by my right hon. Friend the Secretary of State, and I commend it to the House.

1 pm

Mr. Crispin Blunt (Reigate) (Con): Before turning to the order, I want to reflect on the intervention from the hon. Member for Stockton, South (Ms Taylor). I thoroughly agree with her that we should not be exaggerating terrorism, but nor should we exaggerate the measures that we take against terrorism, so I invite her to recall that she was in the Lobby voting for 90 days and 42 days pre-trial detention and for the provisions on the glorification of terrorism, which bring other problems in their wake. I look forward to her position becoming more consistent for as long as she remains in the House.

Ms Dari Taylor: I have absolutely no problem in saying in this House that I did support 90 days, and were there reasonable cause for legislation to that effect to be laid before the House tomorrow, I would support it again.

Madam Deputy Speaker (Sylvia Heal): Order. Before we go any further, I should say that I have allowed the hon. Lady to respond, but now we must focus on the motion before the House.

Mr. Blunt: I am grateful, Madam Deputy Speaker, but I may not be alone in detecting a certain philosophical inconsistency in the hon. Lady's position.

I am grateful to the Minister for setting out the Government's reasons for the order, and Her Majesty's Opposition will support the Government in seeking to add al-Shabaab to the list of proscribed organisations. Decisions to proscribe organisations should not be taken lightly. Free speech is a cornerstone of our democracy, and the Conservative party is clear that proscription should apply only to organisations whose activities include engagement in terrorism and its active encouragement.

The Minister will remember the arguments made by Conservative Members, most notably my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve), during the debate on the Terrorism Act 2006. We sought to distinguish clearly between exhortation to commit acts of terrorism as opposed to the Government's definitions around glorification. I remind the House that, in seeking to prevent and suppress terrorism, we must do so in a way consistent with our values, and I am satisfied today that we can support the Government. However, I have several questions for the Minister.

Before I ask specific questions in response to the Minister's introduction of the order, may I make a point about methodology? When the Government proscribed Islam4UK in January, it followed press coverage of a proposed march in Wootton Bassett. The Opposition supported the ban on Islam4UK, and it was widely known that the organisation was a successor to al-Ghurabaa and the Saved Sect. However, the timing of the ban suggested that it was in reaction to the proposals for a demonstration and in response to public pressure. Can the Minister assure the House that the decision to proscribe continues to be based on evidence? In the light of these questions, and those to follow, will he give the House more detail on the internal process that leads to an order such as today's?

Mr. Hanson: I can give the hon. Gentleman a firm assurance that the decision on Islam4UK was coincidental, not subsequent, to the march in Wootton Bassett.

Mr. Blunt: I am grateful for that clarification, but perhaps when he replies, the Minister will describe as far as he can the processes that lead to a decision, as that may throw further light on the background to that reassurance.

Will the Minister confirm that al-Shabaab is the only name of the organisation that the Government wish to proscribe, or can we expect further proscription orders to cover other names for al-Shabaab? He will be aware that al-Shabaab was proscribed in the United States in February 2008 on the grounds that its leadership was working alongside al-Qaeda, and based on the intelligence that individuals from al-Shabaab had trained with al-Qaeda in Afghanistan. Other countries, including Norway and Sweden, also banned al-Shabaab in 2008, and Australia banned it last year. I would be grateful if he could explain what was contained in the statement issued by al-Shabaab on 2 February 2010 that prompted the Government to bring in this order because that appears to have been the cue for today's instrument.

Will the Minister explain what the Government's position on al-Shabaab was before 2 February and why it differed from that of a number of our allies? Could the Government have acted sooner? Al-Shabaab's campaign has been ongoing since the beginning of 2007, prompting the moves to proscribe it in other countries. Is there not a case for better co-ordination between countries on proscribed organisations, and have Her Majesty's Government received representations on the proscription of al-Shabaab from any other countries?

The explanatory memorandum refers to an explicit threat from al-Shabaab to attack targets in Kenya. Can the Minister tell us any more about the nature of this threat, and is there a specific threat to British interests in Kenya? Are the Government receiving the necessary co-operation from the Kenyan authorities to tackle the potential threat in Kenya?

Andrew Mackinlay: I am grateful that the hon. Gentleman referred to paragraph 2.2 in the explanatory memorandum with reference to Kenya. He has just asked whether we are getting full co-operation. With respect, I think it is the other way around: we owe Kenya an immeasurable debt for trying to police and control the northern border with Somalia against terrorism. The question that needs to be asked is whether the

United Kingdom and other western Governments are doing enough to help and bolster the great burden being borne by Kenya on behalf of us all.

Mr. Blunt: I am grateful to the hon. Gentleman for that observation, but the order does refer to a specific threat to British interests in Kenya, and it is only proper to assume that, given that it is their country, they should be the first port of call for any practical assistance that might be needed. So co-operation would be required, and it is that co-operation that I am seeking to probe.

On the issue of al-Shabaab's presence in the UK, is the Minister in a position to say anything more about the numbers of people involved? I appreciate that there are growing concerns about potential terrorist links between Somali organisations and the Somali diaspora in the UK. Can he give any further details about the assessment of al-Shabaab's presence in the UK and any evidence of organised travel from the UK to Somalia for the specific purpose of terrorist training?

As everyone in the House is aware, British and other allied servicemen and women are paying a very heavy price in Afghanistan to prevent the resurgence there of a regime that might play host to al-Qaeda. I expect that the House will share my concern that as we, and in particular the Pakistani armed forces, close off options for terrorist training in Afghanistan and Pakistan, al-Qaeda or al-Qaeda-inspired terrorist organisations may simply relocate? The current campaign of the Pakistani armed forces gives every indication of being of profound importance in this regard, and their apparent success should receive greater attention than it has done so far in the UK. Their success is very important to us. In the light of the consequences of that campaign in particular, will the Minister confirm that just as we now accept the need for more concerted efforts in Yemen, we cannot ignore the growing dimension of terrorist activity in the horn of Africa?

Finally, on the Somali diaspora, let me join the Minister in reassuring those in the Somali population in the United Kingdom, whether they are British citizens or not. As he will be aware, a significant number of Somalis living in Britain are here because they fled from the very people we are seeking to proscribe today. Does the Minister agree that when we proscribe organisations, we must be emphatic in saying that we are not labelling entire communities or nationalities?

Keith Vaz *rose—*

Mr. Blunt: If the right hon. Gentleman will restrain himself, I am coming to the point that he made earlier. We should heed his concerns about the challenge of distinguishing, in the case of the Tamils, between the LTTE—the Liberation Tigers of Tamil Eelam—and other Tamil organisations, which is difficult for people who are not expert in that area, and about the consequences of such a proscription and what it means in the wider public mind. However, we must not lose sight of that proscription or the necessary measures against the organisation concerned. Such proscriptions, where a significant number of British citizens are affected—or, in this case, large numbers of the Somali population in our country—pose a particular challenge in that regard.

Having made what I imagine was the point that the right hon. Gentleman sought to intervene on me to make, let me conclude by saying that we support the order before the House. I look forward to the Minister addressing the issues that I have raised when he replies to this debate.

1.11 pm

Tom Brake (Carshalton and Wallington) (LD): We all heard the Minister's opening remarks and his sobering assessment of the terrorism threat that we face, which is clearly at a high level. It is therefore entirely appropriate that we as a nation should have a high level of preparedness and seek to introduce measures to disrupt that potential risk. We shall thus support the order today, because it is clear from the evidence, so far as we can assess it, that al-Shabaab is committed to violence and the use of terror attacks to achieve its aims. Interestingly, as the Conservative spokesman pointed out, the problem is one that other nations have been aware of for a number of years. I, too, will therefore listen with great interest to what the Minister says in response to the question about what, as far as he can tell us, has triggered the Government's action now, when other nations took action a couple of years ago.

I accept the Minister's point that he should not be responsible for micro-managing things, and I would not expect him to be making hall bookings for organisations that fail to do so. However, it is perhaps incumbent on him to consider the unintended consequences of the legislation he is asking us to pass, and at least to think about who, if anyone, will be responsible for ensuring that the activities of legitimate organisations are not restricted. I am sure the Minister accepts that there is a natural tendency for people to err on the side of caution, which could have consequences for perfectly legitimate organisations.

Mr. William Cash (Stone) (Con): Would the hon. Gentleman consider as legitimate the sort of activities that we saw on a Channel 4 programme shown only a few days ago? It appeared to indicate that some organisations masquerade as having political objectives, but in fact have fundamentalist objectives, including, so I understand, the Islamic federation of Europe.

Tom Brake: I am afraid I do not know enough about that particular organisation to say whether we might in future debate proscribing it in this House, but clearly the Minister and the Government will be keeping a close eye on such organisations and whether they have transformed themselves into other organisations, describing themselves in a slightly different way.

At the risk of being criticised by the Government for asking some questions, let me say that it is legitimate for us to use this opportunity to examine the effectiveness of such bans. I would like the Minister to confirm whether there has been any analysis of the effectiveness of bans. We know that organisations such as Islam4UK have had a number of name changes and may have sought to get round bans in that way. It would be interesting to know how often that has happened, how many organisations, having been banned, have simply changed their names to escape that ban, and how many people have been prosecuted and found guilty of belonging to a proscribed organisation that has been banned in that way. It is incumbent on us to ensure that the legislation we pass is as effective as possible in tackling terrorism, but there is still a fundamental question about banning and whether it is productive in any shape or form.

[Tom Brake]

Finally, on Somalia, the Government have identified al-Shabaab as an organisation against which we need to take action. Although the Minister is a Home Office Minister, it might have been useful—perhaps he can do this when he responds—to set out what we are doing as a nation to support the Somali Government and the legitimate political players there, so that we can see not only that we are taking action here against organisations that might want to pursue a terrorist agenda, but that as a country we are supporting legitimate Somali authorities.

As I stated at the beginning of my speech, we shall support the order today. However, it is legitimate to ask questions about the unintended consequences of the ban and whether the general principle of applying bans to such organisations is particularly effective in tackling terrorism.

1.17 pm

Keith Vaz (Leicester, East) (Lab): I, too, will be relatively brief, but I want to note my concerns to the House.

On these counter-terrorism measures, Ministers come to the Dispatch Box at short notice to present their cases, on which they have had evidence and information; and Members, because they trust the Government, accept everything that Ministers tell them about such organisations. I have no reason to distrust this Minister: I rate him highly, and in all the posts that he has held he has been straight, honourable and transparent with this House. Therefore, when he comes before us today and says, "This is a wicked, nasty organisation that has been involved in gross acts of violence in the horn of Africa and in Somalia. It seeks to destabilise the Somali Government, and it fits the Government's criteria for proscribed organisations," we accept what he says, because neither I nor the hon. Member for Reigate (Mr. Blunt), the hon. Member for Carshalton and Wallington (Tom Brake) nor any other Member has had the benefit of seeing the information that he has seen. However, there are problems with the scrutiny of such measures and with just accepting absolutely everything that is said without probing and prodding, which is the role of Parliament.

As the Minister knows, the Select Committee on Home Affairs, of which the hon. Member for Carshalton and Wallington is a distinguished member, produced a report about the need to bring together the various agencies and organisations that deal with counter-terrorism. We suggested establishing a national security council, with advisers to the Prime Minister who would then be able to come before the House and answer questions on issues such as that which we are debating today. Sadly, the Government were dismissive of our report—that is politics: we are dismissive of certain aspects of what the Government do—but our proposal bears scrutiny, because we were suggesting a more effective way of putting such information before the House.

If the Minister says that al-Shabaab meets the criteria and the Home Secretary has decided to proscribe the group, we will go along with that and there will be no vote in the House today on this matter. I cannot see any Member or political party doubting the sincerity of the Government in this respect.

However, the Minister needs to look very carefully at the effect of the proscription on the wider Somalian community. I accept his statement that he cannot micro-manage the way in which these orders operate, but I can tell him—and call on other Members who are not present today to give him examples—of the effects of proscription of organisations such as the LTTE. As far as I am concerned, that organisation no longer exists. It was defeated in Sri Lanka a few months ago, and its leader has been executed. It does not function in Sri Lanka at all now. I do not believe it ever functioned in the United Kingdom, and I did not therefore see the need to proscribe it here.

The Government need to pay heed to the effect of that proscription on the wider Tamil community, and to the effect that the proscription of al-Shabaab will have on the 45,000 Somalis who live in the United Kingdom. When members of the Somalian community wish to hold meetings to discuss the terrible situation in Somalia, they will face a lot of pressure from the police and from the Government of Somalia. They will be told that their meeting is actually in support of al-Shabaab. They might have absolutely no connections or dealings with al-Shabaab; they might, as the Minister has said, have come to this country to escape its activities, but the fact that they are holding a meeting to discuss the situation in Somalia will result in police activity and almost certainly in the embassy of Somalia writing to the organisations from which the people wish to book accommodation for their meeting, to prevent those meetings from taking place. How do I know this? I know it because that is precisely what happened to the British Tamils Forum and members of the Tamil community over the past few years, since the Government decided to proscribe the LTTE.

The Minister says that there is a simple answer to all this: if people do not like proscription, they can appeal to the independent commission that the Government have set up. That is precisely what the People's Mujahedeen Organisation of Iran has done in respect of its proscription, in relation to its activities in Iran. Did the Government accept the wishes of the independent commission that they set up when the People's Mujahedeen appealed to it and asked it to raise the proscription? Absolutely not! The Government fought their own commission—their own creation, which was supposed to act independently—tooth and nail, all the way to the Supreme Court, which in those days was in the House of Lords, until they lost and had to give in. Then, a Minister—not this one—had to come before the House and eat humble pie at the Dispatch Box because the Government had to recognise that they could not defy the highest court in the land.

That is why I say to the Minister that, although we will not vote against the motion to proscribe al-Shabaab, I do not think he has given sufficient consideration to the consequences of his action. I know he is a good Minister; he is also a busy Minister, and Home Office Ministers have to accept the advice presented to them by their civil servants. I hope that, as the Minister responsible for counter-terrorism, he will ask the large number of civil servants who have advised him on this issue whether the Government should go back and look at the consequences for communities of the proscription of these organisations. I hope he will also ask whether they have looked at the list to ensure that it is absolutely current and that the organisations still exist. Who looks at the list? When do the submissions come up to Ministers? How many meetings has he had with his civil servants to discuss the number of organisations on that list? Is

there a monthly meeting, or does it take place every three or four months? When does he probe and push his civil servants into giving him this information? That is what we expect of the Government when we go along with a motion such as this, because, although we do not have the information that he has, we accept everything that he says and believe the case that he makes.

When I asked the Minister whether the criteria had been met, he reeled off a list of all the terrible atrocities that al-Shabaab had been involved in. I am not sure, however, whether he told the House that those activities had found their way to the UK mainland. I accept his assertion that it might well be involved in terrorist activities in the horn of Africa, but is it involved in these activities in the United Kingdom? Are al-Shabaab cells operating in the UK at the moment? This is not private information that the Minister needs to keep secret; it is the kind of information that the House needs to be made aware of. Can he satisfy the House that he has seen a file on the activities of al-Shabaab in the United Kingdom? It would bolster his case if he could say that he had, and that he has seen the evidence.

As the Minister knows, he had me from the moment he stood up at the Dispatch Box and put this proposal before the House. We give the Government a huge amount of leeway on counter-terrorism matters, as do the Opposition: the hon. Member for Reigate has spoken very eloquently in support of the Government today. In order to continue to give our support, however, we need to know that these processes of scrutiny are ongoing in the Home Office. That would help us to explain to our constituents why this is happening. There is still confusion among the 300,000 members of the British Tamil community, and there has been confusion among those who support the People's Mujahedeen.

There will now be confusion among the Somalian community in Leicester. I have a thriving British Somalian community in my constituency. There was a time when I wondered why so many Somalis were ending up in Leicester: I was told that they were making their way from the horn of Africa to Holland, where they settled in Rotterdam. Then, having become EU residents, they were deciding to exercise their right to come to the United Kingdom. They were choosing to come here and settle in places such as Leicester, London, Birmingham, Leeds and Manchester because they felt very safe here. From time immemorial, millions of people have come to settle in those places because Britain is the safest country for them. This is the most tolerant country in the world. It is a mirror of the world, and that is why people choose to come here when they are fleeing persecution.

I ask the Minister please to look at the consequences of what he is doing, in respect of the wider Somalian community. I have no problem with proscribing al-Shabaab, but he must realise that what he does today will have a profound effect on the Somalian community in the United Kingdom. Will he please ensure that that effect is carefully assessed, monitored and reviewed?

1.28 pm

Mr. William Cash (Stone) (Con): The right hon. Member for Leicester, East (Keith Vaz) has referred to cross-border activity, and I would like to invite the Minister to respond to one point. In the television programme that I saw a couple of days ago—which I can only take at face value—an organisation that I think was called the Islamic federation of Europe appeared to have a number of cells in Tower Hamlets and other parts of the country. It also appeared to be pretty endemic throughout Europe as a whole. In the context of considering whether to proscribe an organisation, and the prevention of terrorism, we need to look at the objectives of any organisation or umbrella organisation that sympathises with—and/or has similar objectives to those of—the organisation being proscribed.

It is not simply a question of proscribing, but of preventing. I simply ask whether the Minister knows of any evidence that this federation, which was given one and a half hours on Channel 4 a couple of days ago, is in fact engaged in activities that are in any way inimical to the stability of the UK. I also ask whether and to what extent it is infiltrating the political system. The Minister's colleague, the Minister of State, Department for Environment, Food and Rural Affairs, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), was also on the programme. Is there any evidence of infiltration on the basis of what one might describe as a masquerade?

We would all utterly defend freedom of speech and freedom of election, but the question that lies at the heart of the issue is whether there was any attempt to delude the electorate into believing that they were taking part in a political choice, when the people standing or organising actually represented a different objective of a fundamentalist nature.

Keith Vaz *rose—*

Madam Deputy Speaker: Order. Before the right hon. Member intervenes, may I remind the House that we are looking closely at a particular order, whose main reference is to al-Shabaab? The general point is accepted, but that is the particular organisation named in the order referred to in the motion on today's Order Paper.

Keith Vaz: I will not widen the debate because you have made your ruling, Madam Deputy Speaker. A number of people who were in the programme deny any involvement in this organisation, however, so to be fair to them—the hon. Gentleman has put one side of the story—it is important to note that a number of elected councillors have categorically denied any involvement at all in this organisation.

Mr. Cash: I am glad that the right hon. Gentleman has pointed that out. What I am stating here is more in the nature of a question—asking the Minister, in the context of this particular order, whether he is aware of a connection of any description between the kind of activities described in the programme, which I am sure he knows about, and this organisation; and, indeed, whether any general lessons need to be drawn, as it would be completely unacceptable if any proscribed organisation, or anybody working with such an organisation under an umbrella, were engaged in activities that could undermine our electoral system.

1.32 pm

Mr. Hanson: Let me commence by answering the hon. Member for Stone (Mr. Cash), who asked about recent television programmes and activities in Tower Hamlets. I cannot really comment on whether any consideration

[Mr. Hanson]

has been given to proscribing groups that are not on the proscribed list. As I mentioned in my opening remarks, there is a statutory test under the 2000 Act, which indicates whether or not an organisation should be proscribed. In response to the point made by my right hon. Friend the Member for Leicester, East (Keith Vaz), we continue to keep under review not just organisations on the proscribed list, but organisations about which we have potential concerns, and which we may wish to bring forward at a future date to join the proscribed list. What I can say is that we keep all matters under review and we are active—not just in the borough of Tower Hamlets, but throughout east London and in many other parts of the UK—in helping to prevent terrorism through a range of activities and programmes to ensure that we do not allow radicalisation to occur.

That brings me to the initial point raised by the hon. Member for Reigate (Mr. Blunt), echoed somewhat by the hon. Member for Carshalton and Wallington (Tom Brake), which was about the evidence base. My right hon. Friend the Member for Leicester, East also touched on this. The decision to proscribe an organisation is not taken lightly. It entails building a case that meets the legal test under the 2000 Act, and which is examined by officials in the Home Office and other Government Departments. That case is assembled over many weeks and months as the evidence is brought forward and collated. Ultimately, my right hon. Friend the Home Secretary has to take a decision on that case.

To answer my right hon. Friend the Member for Leicester, East, my right hon. Friend the Home Secretary has seen evidence put to him, which we cannot discuss in detail here, indicating not only that suicide attacks, bombings and murders involving explosive devices might have been carried out by this organisation abroad, but general concerns about its operation. I say to my right hon. Friend the Member for Leicester, East that British interests are sometimes affected by British interests abroad, and that solidarity with other organisations fighting terrorism abroad sometimes requires that we take particular steps. We have assessed the situation carefully and come to this conclusion, based on the evidence that my right hon. Friend the Home Secretary has examined.

Keith Vaz: I am very grateful for that clarification and I thank my right hon. Friend for giving way. Is he saying that there is al-Shabaab activity in the UK at this moment?

Mr. Hanson: My right hon. Friend will have to accept that I cannot go into detail about the activities we wish to examine or about decisions taken on them. I have indicated to him clear evidence of activity abroad that we are concerned about. I hope that he will accept that, as we bring this measure forward. As I explained earlier, if an organisation does not accept proscription, it can make representations to my right hon. Friend the Home Secretary, and if he upholds his decision, supported by both Houses of Parliament, the organisation can then take its case elsewhere and ask for the evidence to be looked at further. I hope my right hon. Friend the Member for Leicester, East and, indeed, the hon. Member for Reigate will accordingly accept that.

The hon. Members for Reigate and for Carshalton and Wallington effectively asked me, "Why now?" We keep these matters constantly under ongoing review. The hon. Member for Reigate asked about our relationship with Kenya. We have strong relationships with that country; we keep the situation under review and we will take action against any organisation when we believe we can meet the statutory test. I was also asked whether an organisation might morph into another organisation by changing its name. We keep that, too, under constant review. The same charge was made regarding our proscription of Islam4UK some four to five weeks ago. Other organisations have changed their name, and we have had to bring back orders to meet our obligations. As I say, we have to keep such matters under review.

The hon. Member for Carshalton and Wallington asked how many prosecutions we have taken. Between 2001 and 2009, 31 people have been charged with breaches of their proscription, and accordingly there have been 15 convictions in various forms across the UK.

We are very concerned not to label the Somali community as a whole—this issue was raised in the debate—in connection with our concerns about this particular organisation. The Somali community—in Leicester, as in other great cities of the UK—plays a very positive role. As accepted by hon. Members, members of the Somali community are often here because they have escaped from intimidation and terrorist activity elsewhere—concerns that we are trying to tackle. Britain has a great tradition of welcoming the Somali community and other refugees into the country. Concern has been expressed about whether the order will label the Somali community. I hope that it will not, and I believe—if I reflect on these matters carefully, as I have done—that the UK Somali community will welcome this action because it shows that we are concerned to tackle terrorism in their home country and the impact of such terrorism on the interests of citizens in their adopted country. That is why I hope the Somali community will welcome this measure—I am sure they will.

I was asked what else the Government were doing to help to defuse the cauldron that leads to terrorist organisations developing in the first place. The Government are greatly concerned to support the nation of Somalia and to tackle some of the wider issues to date. In 2009, the UK Government contributed £15.7 million to the African Union Mission in Somalia. I remind you, Madam Deputy Speaker, that this mission was attacked by the organisation being proscribed today.

For the financial year 2009-10, the Department for International Development's programme budget for Somalia is £25 million, and the Africa conflict prevention pool allocation to Somalia is £5.7 million. We are also spending a further £1.4 million on counter-terrorism projects, and we spent £750,000 on a three-year migration project that ended in December last year. We are extremely concerned to ensure that we support our European Community colleagues in the humanitarian office and the United Nations central emergency relief fund. Let me remind the House that the United Nations mission was also attacked by five suicide bombers, and by al-Shabaab organisation members, in October 2008. Sometimes, to secure support and improve the situation in Somalia, which is under attack from forces trying to destabilise it, we must invest British Government money.

I hope I have assured the House that the order is valuable, and that we are committed to Somalia as a whole. We will do nothing to label citizens of Somalia who live and make their homes in the United Kingdom as fellow travellers of the organisation concerned—they are not. They support the order, which I commend to the House.

Question put and agreed to.

Resolved,

That the draft Terrorism Act 2000 (Proscribed Organisations) (Amendment) Order 2010, which was laid before this House on 1 March, be approved.

Business of the House

1.41 pm

The Leader of the House of Commons (Ms Harriet Harman): I beg to move,

That, at this day's sitting, the Speaker shall put the questions necessary to dispose of proceedings on the Motions in the name of Ms Harriet Harman not later than two hours after the commencement of proceedings on the Motion for this Order; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; the Questions may be put after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.

Today we return to our debates on the report of the Reform of the House of Commons Committee, with a further two hours of debate, following more than eight hours of debate on the Floor of the House and in Westminster Hall, including five and half hours of debate last Monday. I hope that we will agree the motion without further debate; we do not want to debate the process, but to bring our debates on the substance to a conclusion, and to vote on the motions and amendments before the House. I commend the motion to the House.

1.42 pm

Mr. Peter Bone (Wellingborough) (Con): Briefly, I want to register my objection to the fact that we do not have an opportunity today to debate the proposal on election of the Speaker.

1.43 pm

Mr. Edward Leigh (Gainsborough) (Con): We have an opportunity this afternoon to register the concern of many Members that it was perfectly fair for the Procedure Committee to assume that its whole package of motions would be voted on today, especially as the Leader of the House had put them all down on the Order Paper. At business questions, however, she said that she wanted to facilitate the proposals of the Wright Committee. She seemed to imply that she would allow us to vote on all aspects of the Wright Committee, whose Chairman is in his place now, which had specifically involved itself in the matter of the election of Deputy Speakers. As I understand it, that part of the Committee's work was passed to the Procedure Committee, which was a specific decision of the Wright Committee.

For many months, the Procedure Committee deliberated on how we should elect Deputy Speakers, and whether the Speaker should be re-elected in an open or secret ballot. In all good faith, the Procedure Committee, whose Chairman is also in his place this afternoon, brought the motions before us. The Leader of the House was therefore wrong to say at business questions that we should vote only on the measures arising from the Wright Committee, because the proposals on election of Deputy Speakers came from the Procedure Committee. Deliberately and, we believe, for cynical reasons—I hate to say that, but I think that she fears she may not win the vote—she has cherry-picked only those motions relating to a secret ballot for the election of a Deputy Speaker.

My understanding was that the Leader of the House—she can deny this—had tabled all the motions, and was intending to speak against her own motion. Until last night, she was acting in an entirely appropriate way. She was doing what she promised the House: that she would

[Mr. Edward Leigh]

give it a choice. Therefore, she put down one motion that the Speaker should be re-elected on an open ballot, and one motion that it should be on a secret ballot. She is of the view that we should elect the Speaker on a secret ballot only once—at the beginning, as we did last June. It is not for me to speak for her, but as I will not have a vote, I have no choice—this procedure debate is the only opportunity. She, along with many in the House, believes that the Speaker should be elected on an open ballot after that. Others take a different view, because we believe in consistency.

Why should every other post—every Select Committee Chair and Deputy Speakers—be elected on a secret ballot and then re-elected on a secret ballot? Nobody suggests that if the Chairman of the Foreign Affairs Committee, say, is elected on a secret ballot at the beginning of the next Parliament, thereafter there will be no further secret ballot. Once someone became Chairman of the Foreign Affairs Committee, therefore, I presume that they could remain Chairman not just for that Parliament, but for two. I refer deliberately to a Chairman—or Chairlady or Chair—of a Committee in the next Parliament, because in the Parliament after that nobody would want to vote in an open ballot—they would rather have a secret ballot, and we will be granted one.

Mr. Greg Knight (East Yorkshire) (Con): For clarity, may I make the point—I am sure my hon. Friend did not intend to mislead the House—that the Procedure Committee did not reach a judgment one way or the other on whether the Speaker in a new Parliament should be ratified by a secret ballot? It said that it ought to be a matter for the House to decide, and that is what the Leader of the House is denying us by not putting motions 69 and 72 above the line.

Mr. Leigh: My right hon. Friend is right. I am at a disadvantage because I am not a member of the Procedure Committee; I can only look at its report. However, it seems that the Procedure Committee did a service to the House. It said, "There are two opinions: some people believe that the Speaker should be re-elected in an open ballot, and others believe that he or she should be re-elected in a secret ballot. Let us give the House a chance to vote." The Leader of the House seemed to be going along with that entirely sensible procedure. What happened yesterday to convince her that she could not trust the House of Commons to vote on that most important measure? Why is it that all the other Chairmen of Select Committees, which are far less important than the office of Speaker, will be re-elected on a secret ballot, but the House will never be given an opportunity to vote on whether the Speaker should be re-elected in a secret ballot?

We simply ask for democracy. How can one talk about making the House more modern and accountable when such back-room gerrymandering still goes on? The Leader of the House—she and she alone, not the House of Commons—has decided that for the next 100 years, once a Speaker is elected on a secret ballot, it will be impossible to have a secret ballot, and virtually impossible to have any decent election.

Mr. Roger Gale (North Thanet) (Con): I am a member of the Procedure Committee, and I am horrified that the Leader of the House is denying us an opportunity to vote on a matter that was the unanimous decision of the Select Committee. It is quite wrong. For consistency, I happen to be in favour of open ballots across the board—I would like none to be secret—but is it not even more bizarre that if the Speaker loses his seat at the next election, his successor will be elected by secret ballot, but if he retains his seat, and there is a vote, which there will be, it will be by open ballot? Where is the consistency?

Mr. Leigh: I think that we can prove, without a shadow of doubt, that there is absolutely no logical consistency in what the Leader of the House has done. This should not be seen in terms of an individual; it should be seen in terms of the rights of the House of Commons. So let us talk about some mythical future Speaker. The whole point of a secret ballot is to allow everyone to make a considered—

Madam Deputy Speaker (Sylvia Heal): Order. I have allowed the hon. Gentleman some leeway, and it is perfectly in order for him to comment on what is not in the motion, but it is certainly not in order for him to go into such detail about the substance of the issue.

Mr. Leigh: This motion, Madam Deputy Speaker, concerns the way in which we are to conduct our affairs this afternoon. Let me end with a plea to the Leader of the House, who presumably, like me, loves this House of Commons and wants it to act in a democratic way. Why are we voting for a business committee this afternoon? Because we do not want the Government—and it may be a Conservative Government—to decide on the business of the House. We do not want the Government alone to decide what we can vote for.

It is within the power of the Leader of the House to stand up in the next few minutes and say, "I have listened to the House of Commons. Next week I will allow the House of Commons to vote." I am not making any plea for either a secret or an open ballot; I am merely asking the Leader of the House to facilitate that vote. If people have confidence in her arguments, they will vote for her. That is all she has to do.

1.51 pm

Mr. Christopher Chope (Christchurch) (Con): Let me, as a member of the Select Committee on Procedure, join my hon. Friend the Member for Gainsborough (Mr. Leigh) in saying how disappointed I am that the whole of our report is not to be debated under this motion. Motion 8, relating to the election of the Deputy Speakers, specifically states:

> "The First Report from the Procedure Committee, on Election of the Speaker and of the Deputy Speakers... is relevant."

The rest of the report and its recommendations, however, are not the subject of a debate, and there is no opportunity for a resolution to be made.

I hope that in responding to what will be quite a short debate, the Leader of the House will repeat in an open forum what she said to me just now behind the Speaker's Chair. She seems to be under the misapprehension that right hon. and hon. Members in all parts of the House cannot be trusted to make decisions themselves, and that she should somehow second-guess those decisions and prevent us from proceeding with motions when she thinks that that might produce the wrong result. If

may say so, the right hon. and learned Lady is confusing her position as a partisan member of the Government with her position as Leader of the House.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Perhaps the Leader of the House is simply trying to reinforce the case for a business committee, thus encouraging the House to vote for it later.

Mr. Chope: That is a good point. The same point was made powerfully by my right hon. Friend the Member for East Yorkshire (Mr. Knight) during business questions earlier today. The rather glib response of the Leader of the House was that of course she was in favour of a business committee; but why do we have to set up a business committee in order to be able to put on the agenda for debate and resolution in the House the recommendations of the Procedure Committee, which have already been presented? Members of the Committee were strongly pressured to produce our report in timely fashion so that there would be an opportunity for the full report, and the recommendations, to be considered by the House before the end of this Parliament.

Mark Pritchard (The Wrekin) (Con): Does my hon. Friend agree that 2010 will feature in the great and long history of the House of Commons as the year that gave us the opportunity to reform this place as it has never been reformed before? Unfortunately, as a result of today's antics the reforms will be half-baked, and the public will not like that at all.

Mr. Chope: My hon. Friend has made an important point, which speaks for itself.

What we have now is a lacuna. Earlier, the Leader of the House was not prepared to tell us when motions 69 and 72—which are on the Order Paper in her name but will not be debated today, and which arise directly from the first report of the Procedure Committee—would be tabled in a way that would allow us to debate and vote on them. Despite repeated questioning, the Leader of the House refused to answer. She even refused to confirm or deny my suggestion that she would be intent on withdrawing those two motions, thereby, having led us up the hill, before taking us down again.

I regard the way in which this procedure is being conducted as intolerable. It obviously reinforces the case for a business committee, but until that committee is up and running, we shall remain in our present position. What has happened today has raised a great many suspicions about whether, as a result of the motions with which we will be dealing, we shall be able to wrest control over the proceedings of the House away from the Executive and the shadow Executive and give it to the legislature. That is certainly what I want to happen.

Mr. Greg Knight: The motion provides for two hours of debate. Does my hon. Friend agree that we would need no more than two hours in which to debate motions 69 and 72? It cannot be a question of time.

Mr. Chope: I do agree, but, in fairness to the Leader of the House, she has not put forward that explanation. Indeed, she has not put forward any explanation for not tabling the motions for debate today. When we are considering whether or not we wish to support the business motion, it would be very helpful for us to know the intentions of the Leader of the House in relation to motions 69 and 72. Perhaps because she did not think that there was enough time during business questions, she declined to answer specific questions on the subject, one of which was asked by the shadow Leader of the House, my right hon. Friend the Member for North-West Hampshire (Sir George Young). I hope that she will respond to them now.

Dr. Tony Wright (Cannock Chase) (Lab): I may be able to help the hon. Gentleman a little. If the House were to approve the motion on the House business committee, we would no longer be forced to be a supplicant of Government in order to ensure that our own business is discussed. Surely that it is the issue that we need to nail down today.

Mr. Chope: The hon. Gentleman has made a point that has been made already by both the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) and my right hon. Friend the Member for East Yorkshire, and I agree with him; but what he is talking about is something for the future. What he is not talking about is how to deal with the issue raised by the Procedure Committee, which met on more occasions that it would have normally, specifically in order to be able to present its recommendations to the House in good time before the Dissolution of the present Parliament. Even if all the hon. Gentleman's recommendations are passed today, that will not enable the House, of its own volition, to deal with motions 69 and 72 before the end of the present Session, thus enabling resolutions to be in place at the beginning of the next Parliament in time for the re-election of the Speaker.

Mr. William Cash (Stone) (Con): As I said during our last debate on this subject, last week or the week before, the root cause of the problems is the fact that the Executive control the Standing Orders of the House. We must address that as part of the issue to which my hon. Friend is referring, and the issue of the House business committee, because it runs very deep. It has often been said that the moment when Front Benchers are seen to be agreeing with each other is the moment at which to look for the problem that is being generated.

Mr. Chope: I agree absolutely, which is why I tabled an amendment to a motion that suggests that if x, y or z were done, there will be various consequences, but does not answer the question as to what would happen if the Government did not do what we would normally expect; namely to act quickly after the Queen's Speech in a new Parliament. I remember being a Member when it took six or nine months to get the Select Committees set up, because the then Conservative Government were reluctant to appoint them. They thought it would suit their own purposes not to have those Committees set up to scrutinise the Government's activities. The motions should ensure that Select Committees are set up very early.

The behaviour of the Leader of the House in not putting forward motions 69 and 72 means that we would be well advised to look at the small print in the motions before the House. If the Government can give themselves some wriggle room, they certainly will. We have seen the Government wriggling in a most unparliamentary fashion today.

2 pm

Natascha Engel (North-East Derbyshire) (Lab): Thank you, Madam Speaker, for calling me one last time to speak on an issue that I feel I have been living and breathing since the end of last summer. I spoke early in the debate last week and I will try not to cover some of the—*[Interruption.]* I am sorry. I have made a mistake: I thought this was the main debate.

2.1 pm

Sir Patrick Cormack (South Staffordshire) (Con): I am very sorry that the Leader of the House has not indicated that she wishes to respond to the points that have been made by my hon. Friends. I speak totally dispassionately and objectively—I shall not be in the next House—but the very first business to be taken by the newly elected House of Commons, be it in April, May or June, is the election of the Speaker. I do not know how the House will vote on these motions: I am not even sure how I would vote myself. But whether it is to vote for an open or a secret ballot, it is not for the Leader of the House to deny the House the opportunity to make that choice.

I am sure that this must be deeply embarrassing to you, Mr. Speaker. You have been such a champion of democracy, making it plain throughout your time here—long before you stood for the Speakership—that you were first, second and last a democrat. You would not wish to be given some extraordinary artificial protection by the Leader of the House from a secret ballot if you were fortunate enough to be returned as a Member of this House at the next election and then seek the Speakership. It is terribly important that the Leader of the House gives the House the opportunity described by my right hon. Friend the Member for East Yorkshire (Mr. Knight).

The report from the Procedure Committee is part of the package of papers that we were all given at the Vote Office for today's debate. The motion on the election of Deputy Speakers has been tabled by the Leader of the House. As my right hon. Friend has also made plain, his Committee did not come to a conclusion on whether the Speaker should be elected by secret or open ballot. He has made plain his own detachment or agnosticism, if I can put it that way, on the issue. That is a position that I share. All that he and his Committee colleagues have asked is that the House be given the opportunity for which the Committee asked. It is as simple as that. The Leader of the House should speak for us all and it is not for her to trust us only selectively. It is terribly important that every one of these substantive recommendations in the Wright report and in the Procedure Committee report be voted on before the end of this Parliament so that the new Parliament begins with new rules and a clean slate and knows what it is doing. If it is that the Speaker should be elected by open ballot, God bless the Speaker and God bless the House. If the House takes a different decision, equally God bless the Speaker and God bless the House.

I urge the Leader of the House to give an undertaking—she cannot do it this afternoon—that in the next two or three weeks there will be a brief opportunity of an hour or an hour and a half for my right hon. Friend the Member for East Yorkshire to present his recommendation and for the House to vote upon it.

2.5 pm

Mr. Bernard Jenkin (North Essex) (Con): I agree with everything that has been said, most particularly the point that this underlines the need for a House business committee to take control of these events and, as my hon. Friend the Member for Stone (Mr. Cash) said before leaving the Chamber, the issue of control of Standing Orders needs to be addressed.

I shall be brief, but I wish to ask about the reference in the motion to the suspension of Standing Order No. 41A. How does the Leader of the House decide which Divisions should be taken on the day and which should be deferred? My understanding is that deferred Divisions were introduced to make it easier for large numbers of right hon. and hon. Members to participate in Divisions. To that extent, it has made it easier for the Government to get some of their business through as it means that they do not have to keep people here on Thursdays. In my rather naive way, this seems to me to be a very good example of where we could give all right hon. and hon. Members an opportunity to vote on these extremely important motions.

It is understandable that this sort of House business comes up on a Thursday, but why was Standing Order No. 41A suspended? I would be grateful if the Leader of the House gave her view. I rather look forward to a House business committee being able to decide when there should and should not be deferred Divisions as that would be an improvement on the present situation, in which the responsibility rests on her shoulders.

2.7 pm

Mr. Roger Gale (North Thanet) (Con): I am dismayed—I trust that you will be, too, Mr. Speaker—at the manner in which the House is being treated this afternoon. You were kind enough to give evidence to the Procedure Committee, as did the Leader of the House, the shadow Leader of the House and a number of experts. The Procedure Committee went to a great deal of time and trouble to produce the report in short order, as my right hon. and hon. Friends have said, to enable it to be debated and voted on before Dissolution.

The motion indicates a time limit of two hours. By my miserable reckoning, and even allowing for my continuing for a couple of minutes, that takes us up to about 4.15 pm. [Hon. Members: "No."] Whenever it is, the House could sit until 6 o'clock, so where is the rush? Why is not possible for us to debate properly and thoroughly the recommendations of the Procedure Committee this afternoon? It is not now possible because the motions are not above the line on the Order Paper. But the Leader of the House must stand at the Dispatch Box in a minute and give the House a good and clear reason why the Procedure Committee's report has been cherry-picked, why matters are not being debated properly, and why she is seeking to deny the House the opportunity to vote on the unanimous recommendation of the Committee.

2.9 pm

Ms Harman: On the question of deferred Divisions, one of the reasons for introducing them was to enable Members to vote other than very late at night. Deferred Divisions do not apply to motions to which amendments have been tabled. That makes sense. It is simple for hon.

Members to vote in a deferred Division on a simple straightforward motion, but it would be difficult to do so on a motion with amendments, or amendments to amendments. I am a strong advocate of deferred Divisions as a means of avoiding late-night voting.

One of the reasons for putting this debate on today, rather than at the end of the debate last Monday, was so that we would not be voting very late at night. Instead, Members can be present at the debate this afternoon and then get on with the voting. I hope that that answers that point.

I feel very uncomfortable indeed that I appear to be crossing swords with the Procedure Committee, because I think it does extremely good work; indeed, I pay tribute to it. Members know that they do not make themselves national figures of great popularity by serving on that Committee, but they do a good job on behalf of the House by taking forward detailed procedural issues. Somebody has got to do that, and they do it extremely well. As has been said, they have taken time and trouble in their work on the matter that we are discussing, and they have produced detailed work not only on the election of the Deputy Speakers but on petitioning and a range of other issues. The House has benefited from all that.

I do not want to get into a detailed debate about a motion that is not before the House—we are currently discussing the business motion—but I would like to respond briefly on the election of the Speaker. Deputy Speakers are elected at general elections under party banners. They stand for election like any other Member of the House, as Labour, Liberal Democrat or Conservative. The Speaker's situation is different: the Speaker stands for election as Speaker of the House and, by convention, the other parties do not stand against the Speaker. There is, therefore, a difference between Deputy Speakers and Speakers. I know that that does not address the issue—

Mr. Greg Knight: Will the Leader of the House give way?

Ms Harman: If the right hon. Gentleman will let me continue, I will give way before I conclude if I have not answered the point he wishes to raise.

I know that my comments on Speaker and Deputy Speaker do not address the annoyance that is felt at the fact that I control what is put down for the House to debate. We have already taken steps to deal with that issue, however, because last Monday we agreed that we did not have to wait for a House business committee, because a private Member could table a motion. Indeed, after the election, a private Member could table motions 69 and 72 and have them debated and voted on. This is not just a question of proving why we need a House business committee, therefore, as we have already given Back-Bench Members the opportunity to bring a matter before the House for a debate and a vote.

Mr. Knight *rose—*

Ms Harman: I will give way in a moment.

We now have now got a lot of substantive business before the House. We have the election of Deputy Speakers and the election of Chairs and members of Select Committees. We have the establishment of a House Committee to deal with Back-Bench business and also an amendment to give that House Committee the opportunity to deal with Government business too, as well as a whole range of other issues. These are very important, substantive matters, and I suggest that we should not take up time debating something that is not before the House, although I accept that Members are questioning why it is not before the House.

I also ask Members to let us agree to this business motion without a Division, because if there is a Division, I am sure that the motion will be passed, and all that will have been achieved is that time will have been taken out of the debate. Therefore, if Members call out against the motion, it will avail them of nothing except taking 15 minutes out of the available time in order to vote.

Mr. Knight *rose—*

Ms Harman: I shall give way in a moment.

I do not stand back from the fact that I have time-limited the next debate to two hours, because we want to have the debate on the substance of the motions and then we want to vote on them, and there will be quite a number of votes. Afterwards, Members will be able to return to their constituencies.

Before I sit down and commend the motion to the House, I shall give way to the right hon. Member for East Yorkshire (Mr. Knight), who is the Procedure Committee Chair—

Sir Patrick Cormack: Chairman.

Ms Harman: The right hon. Member for East Yorkshire is Chair of the Procedure Committee, and I think he has done an excellent job and I very much enjoy working with him, so I am sorry that he is, no doubt, going to be very unpleasant in his intervention.

Mr. Knight: I thank the right hon. and learned Lady for giving way, and I hope I am never very unpleasant to her or anyone else in the House.

The Procedure Committee accepts that the Speaker is in a totally different position from Deputy Speakers, and the argument that the right hon. and learned Lady just put forward is a strong one, but it is just that: an argument for debate. She is denying us that very debate in which that argument could be put, however, and I have to say to her that I find that indefensible. Also, if the remarks that she made to my hon. Friend the Member for Christchurch (Mr. Chope) behind the Chair are true, she ought to be ashamed of herself.

Ms Harman: I do not know whether the right hon. Gentleman heard the remarks that I made to the hon. Member for Christchurch, behind the Speaker's Chair, but I do not remember his being there. I said nothing about my own views and intentions. I actually cast aspersions on the hon. Gentleman's. No light was shed on my views, therefore, in case anybody has run away with that idea. That is all I can say about that. I would not want to repeat to the House what I said about the hon. Member for Christchurch, and I do not know why he has raised this.

Mr. Chope *rose—*

Ms Harman: The hon. Gentleman has merely created a cloud of suspicion, when we should just be getting on with the job. I shall allow him to intervene, but I might regret it.

Mr. Chope: I am grateful to the right hon. and learned Lady for giving way on this issue. Can she tell me why she has tabled motion 69? Does she intend at some stage that we should have the opportunity to debate and vote on it, and if not, why not?

Ms Harman: When I get to make my speech in the substantive debate, the hon. Gentleman will hear me saying that we have made a lot of changes and we have an opportunity to make some further changes tonight, but that this is not the end of the process. Members need not fear that their work will be in vain, therefore, as this is an ongoing process, and I think we have made good progress already and have the opportunity of making further progress tonight. With that, I commend this business motion to the House.

Question put and agreed to.

Ordered,

That, at this day's sitting, the Speaker shall put the questions necessary to dispose of proceedings on the Motions in the name of Ms Harriet Harman not later than two hours after the commencement of proceedings on the Motion for this Order; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; the Questions may be put after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.

Mr. Leigh: On a point of order, Mr. Speaker. You have rightly made your name by defending and promoting democracy. I believe you could solve this issue at a stroke if you stood up and said that you would encourage the Leader of the House to facilitate a vote. You have nothing to fear from this, Mr. Speaker—it is only democracy—and it is in your hands.

Mr. Speaker: I am grateful to the hon. Gentleman for his attempted point of order, but he has been in the House since 1983 without interruption—he is in his 27th year of service—and he knows perfectly well that what he has just said is simply not a point of order.

We shall now proceed to the substantive business. As Members will be aware, I have issued my selection of amendments, which has been distributed in the usual way.

Chair (Terminology)

2.18 pm

The Leader of the House of Commons (Ms Harriet Harman): I beg to move,

(1) That this House approves recommendation 3 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008-09, HC 1117; and

(2) That accordingly, in each place where they occur in any Standing Order related to Public Business, Order or Resolution of the House, except as provided in paragraphs (3) and (4) below:

(a) for "chairman" there shall be substituted "chair";

(b) for "chairmen" there shall be substituted "chairs"; and

(c) for "Chairmen's Panel" there shall be substituted "Panel of Chairs";

(3) That the following changes to Standing Orders be made:

(a) In Standing Order No. 9 (Sittings of the House)

(i) in line 25, leave out "chairman" and insert "occupant of the chair",

(ii) in line 32, leave out "chairman" and insert "occupant of the chair", and

(iii) in line 37, leave out "chairman" and insert "occupant of the chair";

(b) In Standing Order No. 11 (Friday sittings), in line 29, leave out "chairman" and insert

"occupant of the chair"; and

(c) In Standing Order No. 35 (Dilatory motion in abuse of the rules of the House), line 10, leave out "chairman" and insert "occupant of the chair";

(4) That this order shall not apply to the titles of Chairman of Ways and Means, Deputy Chairman or Chairmen or the Lord Chairman of Committees where they occur in any Standing Order, Order or Resolution of the House.

Mr. Speaker: With this it will be convenient to discuss motions 4 to 8.

Ms Harman: The House now has an opportunity to consider and vote on the recommendations of the Select Committee on House of Commons Reform. That includes the motions that I have tabled and the amendments that have been selected.

We had a constructive debate on the Committee's proposals last Monday. At the end of that debate, 11 of the Government's 16 motions were agreed to unanimously, without Division. What we agreed included the following on strengthening Select Committees: a time frame for the establishment of Select Committees within six weeks of the start of a new Parliament; reducing the size of some Committees to make them more effective, with a standard membership of only 11; and a review of the role, resources and tasks of Select Committees by the Liaison Committee. We agreed that there would be a vote in the next Parliament on September sittings. We agreed that we should have greater engagement of the public with our proceedings by providing more opportunities for them to influence draft Bills. We agreed a range of reforms of the petitioning system, including a process for petitions to trigger debates; and we agreed to give more power to Back Benchers, with a new procedure for them to move substantive motions that can be voted on.

Today we have the opportunity to go further. We will have a further short debate and then proceed to vote on the remaining proposals of the Commons Reform

Committee. As we have already debated these recommendations for many hours, I propose to speak very fast—I was going to say that I would speak briefly, but I realise that I have quite a long speech to make, so I shall make up in speed what I am not able to do in length.

The House needs reform to give more power to Back Benchers, to give the House more power over the Government. We have already made progress on strengthening the House of Commons over the past 13 years.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Will the Leader of the House give way?

Ms Harman: This is House business; the motions are on the Order Paper, there is no whipping and there is no insight I can give that hon. Members cannot work out for themselves by reading it, so I am not going to take interventions. I say that because this is not about me; it is about every individual Member of this House making their decision. The hon. Gentleman can therefore ask himself the question and answer it.

We are not starting from scratch; the proposals that we return to today are not the beginning of reform, nor will they be the end of reform, but they are substantial reforms and, once again, I wish to record my thanks to my hon. Friend the Member for Cannock Chase (Dr. Wright) and the other members of the Committee for their work. I thank him for his proposal to establish the Committee, which I readily supported.

Today's business enables Members to have a series of votes on the Commons Reform Committee's proposals. I shall address the motions in the order in which they will be put to the House. Motion 3 removes the term "chairman" from the Standing Orders and replaces it with the term "chair", and I support it. Motion 4 creates a new Standing Order with effect from the beginning of the next Parliament, which provides for a process for electing the Chairs of departmental and similar Select Committees by secret ballot of the whole House, based on party distributions proposed by the Speaker and agreed by the parties and the House. Amendment (p), which stands in the name of the hon. Member for Christchurch (Mr. Chope) and others, would add the Procedure Committee to the list of Committees whose Chairs are to be elected in this way. The Commons Reform Committee recommended that this procedure should apply to

"departmental and similar select committees".

The Procedure Committee is not a departmental or similar Select Committee; it is, as we Latin scholars would say, sui generis. The amendment goes beyond the scope of the recommendation and for that reason I shall be voting against it. Nor shall I be supporting amendment (o), which stands in the names of the hon. Members for Christchurch and for North Thanet (Mr. Gale).

Several hon. Members *rose*—

Ms Harman: I have realised that my "no giving way" policy is not going to cut the mustard, so I will just finish this paragraph and then give way.

Amendment (o) would allow any Member of the House to move a motion allocating Select Committee Chairs to parties if the party leaders fail to do so within two weeks of the start of a Parliament. This is a matter that the Reform Committee envisages should continue to be settled by negotiation between the parties, but this is ultimately a matter for the judgment of the House. I shall not be supporting the amendment, but it will not be the end of the world if the House passes it.

Sir Peter Soulsby (Leicester, South) (Lab): On the election of the members and the Chair of the Procedure Committee, does the Leader of the House accept that it would be very odd if the House was not to elect those members, given the increased role that the Procedure Committee will have? It will have a crucial role in taking forward these reforms in future, so is this not a matter of the Wright Committee having left this out by oversight rather than intent?

Ms Harman: If my hon. Friend, who has done a lot of work on these issues, takes that view, he does not need to agree with me and he can vote in his own way on that amendment.

Mr. Llwyd *rose*—

Ms Harman: I will give way to the hon. Gentleman if he still wants to ask a question and has not lost the will to live.

Mr. Llwyd: I am almost there, listening to the right hon. and learned Lady. What I would like to know is how she envisages the rights of minority parties being accommodated within the Back-Bench Procedure Committee.

Ms Harman: There is no proposal at the moment for changing the arrangements in relation to the Procedure Committee, so I think that matter will just have to be dealt with in the usual way. However, I will take an opportunity to ask the Deputy Leader of the House to get back to the hon. Gentleman on that when she makes her concluding remarks.

Mr. Llwyd *rose*—

Ms Harman: If the hon. Gentleman wants to make an intervention that suggests the answer to this, he may do so.

Mr. Llwyd: No, no. What I would like to ask the right hon. and learned Lady is how she will accommodate the interests of minority parties on the Back-Bench business committee.

Ms Harman: That question shows why we have further details to work out on that, and I agree that it is an important matter.

Amendment (q), which stands in the name of the Chair of the Public Accounts Committee, the hon. Member for Gainsborough (Mr. Leigh), seeks to ensure that the Chair of that Committee will always be an Opposition Member. This is already the long-established convention and there is no intention of changing it. The Chair of that Committee has always and should always be held by an Opposition Member, and I hope that on the basis of that assurance he does not feel the need to press his amendment to a vote.

Mr. William Cash (Stone) (Con): Does the Leader of the House agree a number of Committees—not just the Public Accounts Committee—ought to be chaired by a Member of the Opposition? I have sat on the European Scrutiny Committee now for 25 years and it has always been the case that the chairmanship of that Committee was in the gift of the Opposition. Does she agree that that should apply, as it does to the Public Accounts Committee and the Committees that consider secondary legislation, because these are scrutiny Committees?

Ms Harman: We have brought forward the proposals that were made by the Wright Committee. If the hon. Gentleman agrees with them, he can support them, and if he does not, he can vote against them. There is an evolving process and no doubt other Committees that are not departmental or similar will have to be considered as we go along.

Motion 5 runs alongside motion 4 and provides a mechanism for Chairs to resign or to be removed by a no-confidence vote in the Select Committee so that a ballot for a new Chair can take place. Without that provision there would be no effective trigger for replacing a Chair once that Chair had been elected.

Motion 6 endorses the Wright Committee's proposal for the election of Select Committee members, with each party being responsible for electing its own members by secret ballot. My right hon. Friend the Member for Swansea, West (Mr. Williams) and several of his colleagues on the Liaison Committee have tabled amendment (a) to the motion, which would allow the Speaker and the Committee of Selection to propose to the House that a Select Committee member whose attendance was less than 60 per cent over the course of a Session should be discharged. I agree with the Reform Committee's recommendation that there should be "clear consequences" for non-attendance by Select Committee members, but I think we should reflect further before we embark on the Liaison Committee's approach.

The competing claims on Members' time will sometimes mean that individuals' attendance drops below 60 per cent. for perfectly good reasons. In fact, six of the hon. Members who signed the motion attended less than 60 per cent. of Liaison Committee meetings in the last Session and the Liaison Committee's overall attendance was only 50.6 per cent., so I am sure they will accept the point about the demands on hon. Members' time. We can think further about the matter so I ask them not to press for a vote. The principle was right but we need to think about how we take it forward.

Mr. Alan Williams (Swansea, West) (Lab): It is because those very factors need to be taken into account that the amendment is phrased in a way that makes it an enabling amendment—it does not say that the Speaker "should" recommend such action, but leaves it to the Speaker's discretion. There is no compulsion about it.

Ms Harman: My right hon. Friend's amendment takes a particular track and sets a particular percentage level, and it might be that we can do better than that. However, we might, in the end, find that that is the best way we can do it. I know that the members of that Committee have given it a great deal of thought. Obviously, it is entirely for hon. Members to decide whether to press the amendment to a Division and for other hon. Members to decide how to vote. I have simply offered the House my views.

Motion 7 approves the Wright Committee's recommendation for a Back-Bench business committee to schedule Back-Bench business. Amendment (b) in the name of the Leader of the Opposition and amendment (c) in the name of my hon. Friend the Member for Cannock Chase call for the establishment of a Back-Bench business committee in time for the beginning of the next Parliament. I think it is right that the House should be able to reach a decision tonight on the establishment of a committee.

The effect of the two amendments would be broadly similar, but I personally suggest that colleagues support amendment (b), which provides greater clarity on the number of days the Back-Bench business committee will have at its disposal. It also offers a more flexible approach—*[Interruption.]* There is no need for hon. Members to protest. They have the motion and both the amendments and they can decide for themselves which to vote for. I would say, if I can just get on with giving my humble opinion, that amendment (b) provides greater clarity on the number of days that the Back-Bench business committee will have at its disposal. It also offers a more flexible approach for the new committee whereas amendment (c) includes a number of stipulations that could have the effect of tying the hands of a newly established business committee. I think flexibility will be important in the successful operation of the new system so that the business committee has maximum freedom of operation.

I will also, as I have already said—

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Will the right hon. and learned Lady give way on that point?

Ms Harman: No.

I will also be supporting amendment (a) to motion 7, which is in the name of my hon. Friend the Member for Cannock Chase. The amendment endorses the establishment of a House business committee, during the course of the next Parliament, to include Government business. However, I do not agree with amendment (d), which lists a number of the committee's other recommendations to be considered in the next Parliament. I think it is right to leave that decision to the next Parliament, so I shall not support it and shall vote against it for that reason.

Dr. Harris: Will the Leader of the House give way?

Ms Harman: The hon. Member for Oxford, West and Abingdon (Dr. Harris), among others, will get to speak. The hon. Gentleman has played a leading part in the debate. I do not have any better answers, and I am sure he will value his own opinion more than mine when it comes to deciding how he will vote. This is House business and we are now at the point of just making decisions.

I have tabled motion 8 to give effect to the Procedure Committee's recommendations on the election of Deputy Speakers by ballot. Although the motion is new, the changes were approved by the House in principle on 6 January. Motion 8 moves the matter forward by

providing an opportunity for the House to agree the Procedure Committee's detailed proposals for putting the recommendations into action. I again thank the Committee for its work. We will be allowing a free vote on this matter and on all the Reform Committee's proposals.

All this is House business, and the House today has an opportunity to approve the remainder of the Committee's recommendations. Let me conclude by saying that today is an important milestone in the history of the reform of this House. I hope we will seize the opportunity to agree this package of reforms which, if passed today, will, when added to what we agreed last Monday, be the most far-reaching package of reforms ever agreed. It will take forward the Prime Minister's commitment, which he set out in "The Governance of Britain", to make the Executive more accountable to Parliament and to reinvigorate our democracy. We will be ensuring that there is more power for Back Benchers and we will be strengthening the House's ability to hold the Government to account. I commend the motions to the House.

2.32 pm

Sir George Young (North-West Hampshire) (Con): There are 69 minutes left for this debate, so I propose to follow the right hon. and learned Lady's example and keep my remarks to a basic minimum.

I set out my views on most of these issues last Monday when I urged the House to seize this opportunity for reform and to make faster progress than was envisaged in the Government's initial resolutions. I note in passing that it is sad that we have roughly eight sitting days left before the likely date of Dissolution in which to make the changes to our Standing Orders that are needed to bring in some of the motions before us at the beginning of the next Parliament. I shall not repeat the contrast that has been made between the speed and urgency of the Wright Committee's work and the foot-dragging of the Government.

In addition to the reforms of the Wright Committee and all the proposed amendments, some of which raise new issues, we are addressing the Procedure Committee's report on the election of Deputy Speakers. That sits a little uneasily with the comment made by the right hon. and learned Lady last week in business questions that, as far as she was concerned,

"we have debated the Wright Committee report enough".—[*Official Report*, 25 February 2010; Vol. 506, c. 452.]

Two hours might have been enough to debate the Wright Committee, but we now have an extra report to debate in the time allotted for one. As has been said several times today, given that the principle behind the reports is the empowerment of Back Benchers, it is ironic that the Government have programmed the debate to restrict Back-Bench contributions. If, as I hope, we support these reforms in the Division Lobbies later, the House may never again be forced to plead for more time from the Government to debate its own business. The past few months have demonstrated more effectively even than the report why the Government need to relinquish their control of Parliament's agenda.

I believe that the resolutions represent our best opportunity for decades to start rebalancing the terms of trade away from the Executive and to start strengthening Parliament and making it more effective, more accountable and more relevant to the people outside it. That is why I intend to support the Government's motions on the election of Select Committee Chairmen and members, as well as the amendments that would establish a House business committee during the next Parliament and give further consideration in the next Parliament to all the remaining recommendations that the Government have left on the cutting room floor. I hope that the right hon. and learned Lady will demonstrate a similar commitment to reform when she is in the Lobbies.

As for the amendment on the election of the Chairman of the Procedure Committee, that is not one of the changes advocated by the Wright Committee, which merely proposed electing the Chairmen of departmental Select Committees. I just make the point that it seems slightly illogical not to extend such elections to other Committees in addition to the Procedure Committee.

On the Back-Bench business committee, I intend to vote for amendment (b), which I should like to move at the appropriate move.

Mr. Bernard Jenkin (North Essex) (Con): All the advice that I have taken from the Clerks suggests that, because the Procedure Committee itself will be elected, it is something of a lacuna in the report that its Chairman will not be. I hope that my Front Benchers will support that amendment.

Sir George Young: As I said, it is a free vote, but I make the point that this was not an original recommendation of the Wright Committee.

On the Back-Bench committee, I intend to vote for amendment (b). I do not agree with the Government's resolution, as it fails to get the committee up and running by the beginning of the next Parliament, which is my preferred time scale. As I have said before, I want the Back-Bench committee to be given progressively more influence—first over the set-piece debates, in whatever configuration it prefers, and then over the general debates. That would then lead to its being given a day or half a day a week for Back-Bench business.

The Wright Committee report is absolutely clear, stating that these proposals would

"inevitably need implementation in stages."

It recognises that the pieces of the jigsaw should not be put together all at once on day one, and that brings me to the difficulties that I see with amendment (c). That amendment risks making worse one of the central problems that the Wright Committee has sought to address—the lack of time for the Report stage of Bills.

The assumption in paragraphs 31 and 32 of the report is that, whatever approach we adopt, the totality of sitting days and hours should remain roughly the same. Given the finite amount of available time, the more time that is spent on general debates, the less time, by definition, will be available for Government business.

My amendment (b) would allocate 27 days in total to the Back-Bench committee—the 15 set-piece days, and the 12 general debates. Amendment (c), by virtue of its endorsement of recommendation 30, would allocate the committee one day a week, which by the Wright Committee's reckoning amounts to 35 days. The difference between the two amendments is that mine could allow seven extra days for the Report stage of Bills, whereas

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that would be lost if we opt for amendment (c). I urge the House to think carefully about that before making its decision later.

Dr. Evan Harris: As a member of the Wright Committee, I would like to explain our approach to the right hon. Gentleman. I agree with much of what he has said about the 27 days, but topical debates ought to be a matter for the Back-Bench business committee. When added up, they amount to another seven days. The other three days for his 35 could be used for debates on Members' pay and allowances, for example, or for matters such as those relating to the hon. Member whose offices were raided by the police. Such matters should rightly be for the House and not in the purview of the Government, whichever party is in office.

Sir George Young: I agree that the Back-Bench committee should allocate the subjects for topical debates. I conceded that on Monday, and that should happen. I also think the committee should allocate the 15 set-piece days and the 12 days devoted to general debates. The Wright Committee wants an extra seven days, and my fear is that that would mean less time on Report.

Paragráph 109 of the Wright report states that the lack of time on Report is the

"single greatest cause of dissatisfaction"

with the current scheduling of legislative business. That is why I prefer the configuration in my amendment (b) to that in amendment (c).

I am not standing in the way of progress. An initial amendment proposed kicking the Back-Bench committee into touch—that is, into the next Parliament—whereas I think it should be established much earlier. That now appears to command widespread support.

On the House business committee, we have seen three victories: first, in ensuring that its consideration was within the original terms of reference; secondly, in ensuring that it can be voted on today; and thirdly—and I am grateful for this—in securing the support of the Leader of the House for the committee, soon after she had initially ruled it out.

We have made real progress, but I think we should go further. We should end the automatic guillotine at Committee stage, and abolish the Modernisation of the House of Commons Committee. I also think we should enable Select Committee Chairmen to launch their reports on the Floor of the House—as the Chairman of the Defence Committee could have done today, with his report on procurement. In addition, we should allow the Opposition to trade Opposition days for topical statements, and introduce broader measures to re-engage the public, reduce the size of Parliament and cut the costs of politics.

Finally, on the election of the Deputy Speakers, I welcome the report from the Procedure Committee, which is well-reasoned and eminently sensible. I look forward to hearing the Chairman of the Committee, my right hon. Friend the Member for East Yorkshire (Mr. Knight), explain the proposals in greater detail. As someone who has had passing experience of the system for the election of Speaker, using both a secret and an open ballot, I was pleased to have the opportunity to pass on my views to the Committee in an informal session, and I am glad that two of my suggestions have been incorporated into the report.

I agree with the Procedure Committee that, unlike with the election of the Speaker, there is no need for Deputy Speakers to issue manifestos, because it is an entirely different kind of role. I should make it clear that, in supporting the Committee's report, I do not want to suggest in any way that the current system of selection of Deputy Speakers does not deliver excellent candidates to the Speaker's team, which it does.

I hope, Mr. Speaker, that when you blow the final whistle at 3.41, the reformers will be able to take away from the pitch some of the trophies.

2.40 pm

Mr. David Heath (Somerton and Frome) (LD): I listened to what the Leader of the House had to say about her own tactic in providing time for others, which was to speak allegretto. I will maintain a more stately andante, but I hope to be brief. I repeat the point that today's debate is not about what we say from Front-Bench positions; it is about what right hon. and hon. Members have to say on the recommendations. We have already had the debate on many of these issues.

I will briefly give an opinion on the points before us today. I find it difficult to get really worked up about motion 3, but it is better to refer to the position as "Chair" rather than "Chairman". I note in passing that those who are most adamant that they will never accept the word "Chair" are quite happy to refer to "the Crown" on the ground that a hat is somehow more appropriate than a piece of furniture for describing a position. I am not sure that I understand that distinction.

I hope that we will be able to support motion 4 and all the amendments. The position of the Chair of the Procedure Committee is important and I am glad that that amendment has been tabled. The Public Accounts Committee should be chaired by a Chairman from the official Opposition. That is a sensible provision within our Standing Orders.

I agree with motion 5. I also agree with motion 6. The Chairman of the Liaison Committee brings forward an important point about non-attendance at Committees. Whether this is the right way to deal with it I do not know, but it has been notable that some major departmental Committees have struggled to reach a quorum on too many occasions. If this is not the answer, we must find another. I would support this because it is a permissive power, not a requirement, and I hope we might consider that today.

The most important matter is motion 7 and the amendments to it. I heard what the right hon. Member for North-West Hampshire (Sir George Young) said in supporting his amendment (b). I am not persuaded that it does not provide for a more restrictive solution than amendment (c). The two are in direct opposition. If (b) is passed, (c) cannot be put. Therefore, I invite hon. Members to oppose amendment (b) and support amendment (c), which is a more satisfactory solution. If proof of that is needed, Members need only look at the collusion between Members of the two Front Benches here to see where the Executive would like us to vote. I invite the House to vote for amendment (c).

However, most importantly, I hope that amendment (a) is passed. This is the key vote to give control of the timetable of debate in the House back to Members of the House, taking it away from the Executive. If we cannot achieve that, we will have failed as a House in our debates on this matter. I hope that the House is up to the task of agreeing to amendment (a) today. I support amendment (d) because those are the matters the Wright Committee considered, and which the Leader of the House for some reason would not put before the House. They should have been put before the House, they have been now and we can agree to the amendment.

Motion 8 concerns the election of the Deputy Speakers. I know how hard the Procedure Committee worked on this, and it came forward with cogent views on the election. I have just one caveat, which is that if we are successful in the early amendments—I say "we"; those who think like I do that we need a business committee of the House—the Chairman of Ways and Means will have a new and important full-time role in organising the business of the House. That suggests a need for an additional Deputy Speaker. I made that point in evidence to the Wright Committee, but today's change in Standing Orders will not provide for that eventuality, and I regret that.

Mr. Greg Knight (East Yorkshire) (Con): The Procedure Committee considered that very point, and we are of the view that the matter should be revisited in the next Parliament.

Mr. Heath: I am grateful to the right hon. Gentleman for that. If we agree to that new role for the Chairman of Ways and Means subsequent to today's votes, however, we will need to prepare for that, so that in the new Parliament we can deal with it as a first instance.

I need not detain the House any longer. Some have described today as an historic day of reform—I am sorry, but I cannot bring myself to think that way. An Everest of reform is necessary if we are to bring this House and our politics generally up to speed—into the 21st century—and make it fit for purpose. Evolution is a slow process at the moment, and we still do not fit the ecological niche that we need to fit. If we were climbing Everest, we would simply be at base camp, but if the House cannot even get to base camp, we will have failed the people who have elected us and want us to make this House fit for purpose.

2.46 pm

Margaret Beckett (Derby, South) (Lab): I am sorry that I was not able to take part in last week's debate about these issues, but I have read it with care. I rise to speak, briefly, only because I share the universal view of Members that it is important to do everything that we can to increase the public's confidence in the House. However, I must confess to a degree of scepticism about the contribution that all the changes will make to that process, even if they are all carried, and I think that many, if not all, will be. The public's confidence will increase when they believe and have evidence that their top priorities are also ours.

That brings me to my concerns about the variety of proposals before the House. My first concern relates to motion 7 and amendment (a), to which the hon. Member for Somerton and Frome (Mr. Heath), who has just spoken, directed most of his remarks. Reading the Wright Committee report and last week's debate, I was struck forcefully by the degree to which the context and culture of the proposals are, first, rooted in most Members' experience of the House: one in which the Government of the day have a comfortable majority; and—with deep respect to members of the minority parties—one in which there are not so many minority parties and few non-party Members. That might not be the structure of the next House of Commons, and nothing says that it is compelled to be the structure of future Houses, either.

Further to the structure of and voting power in the House, the second point that runs culturally through the proposals is an assumption of understanding and co-operation between all players. That will be absolutely crucial if a business committee is to work, whether it is a Back-Bench business committee or a House business committee. However, having served on a House Committee, as only one or two other participants in our debate have done, I do not share the assumption and confidence of all those who spoke in last week's debate that such understanding and co-operation is a given.

That brings me to my second concern. I have as much experience as anybody—certainly anybody in the Chamber today—of introducing reform to the House in the teeth, sometimes, of vociferous opposition, and I have learned that it is best to proceed by experiment. I have no quarrel with motion 7 or the establishment of a Back-Bench committee at whatever point, but, although I know that the hon. Member for Somerton and Frome made amendment (a) the touchstone of whether one is for reform, I am concerned about the House carrying it without any experience in a different Parliament of how a Back-Bench committee would work.

I suspect, with deep respect to the motives and content of the observations made in our opening debate on the business motion, that we could see every week of the next Parliament dominated by a wrangle—not necessarily a good-tempered wrangle—about what the business of the House should be. That would not do anything to enhance our standing in the eyes of the public. I cannot reconcile it with my conscience to allow all this to go through with a claim that it is the best thing since sliced bread, particularly—I say this with the greatest possible deference and respect to all hon. Members who have taken part in these debates—when so many of the voices that are heard are those of Members who do not intend to be here in the next Parliament and will not have to pick up the pieces.

Mr. Heath: I am listening to the right hon. Lady with care and respect. She says that this is an untried system that has not been experienced in our Parliament; no, it has not, but it has in many other Parliaments, including the Scottish Parliament, where it works very well. Why on earth are we incapable of adapting to a new system and making it work?

Margaret Beckett: With respect to the hon. Gentleman, I think that perhaps he was not listening with sufficient care to what I said. I did not say that this is a system that the House cannot make work, but that it is a system into which we are intending to proceed without any kind of experiment or trial to see how we make it work for the best. If I may say so, I think that I probably have as much experience as the hon. Gentleman of studying the experiences of other Parliaments and hearing

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observations from them. I gently say to him, as regards reforms that it is proclaimed that other Parliaments have made, that their parliamentarians and politicians will speak fervently of them in public, but not always quite so fervently in private conversation. *[Interruption.]* No, I am not talking about Governments. I am fully conscious of the likely criticism that my experience has been Front-Bench experience and that I speak as a former Leader of the House. I am not, by the way—before anybody alleges it—speaking on behalf of the Whips Office. I have not consulted anybody about this. I simply have great regard—

Mr. Cash *rose—*

Margaret Beckett: I am going to finish now.

I have great regard for this House, and I do not wish it to bring itself into any kind of disrepute. If we begin with a Back-Bench business committee, and if it works as brilliantly as everybody in the Chamber tells me that it will, that will be absolutely fine, and we can proceed unhindered in the next Parliament with a House committee. However, I feel that this may not be the time to move at quite the speed that so many Members here wish us to do.

2.52 pm

Mr. Greg Knight (East Yorkshire) (Con): Let me say, I hope for the last time today, that I deplore the decision made by the Leader of the House to cherry-pick the Procedure Committee's report. She has let the House down by denying it the opportunity to make its own decisions on some of the recommendations in that report.

I have no difficulty with the motion to make the position that I currently hold an elected one. That is a good idea, which could lead to the office of Chairman of the Procedure Committee having a greater authority, with the Chairman knowing that he is there at the will of the House. Moreover, I hope that any future Leader of the House faced with a unanimous decision of the Procedure Committee would then ensure that there was a debate on all its recommendations.

The arguments on most of the motions have been well aired, so I should like to focus on motion 8—a proposal that is before us for the first time. Soon after your election, Mr. Speaker, you announced in a statement to the House that you were convinced that in a modern democracy that puts Parliament first, the choice of the three Deputy Speakers should be determined not by consultation but by the process of election. The Procedure Committee unanimously agrees with you in that view.

Following the House's approval of our interim report on the principles to be followed in electing our Deputy Speakers, we have devised a detailed procedure for such elections, which I hope finds favour in all parts of the House. It is based on the existing convention that the four occupants of the Chair should be drawn equally from the Government and Opposition sides of the House, regardless of the exact party proportions in the House, and that there should be at least one man and at least one woman on the team.

The Procedure Committee does not see a case at present for an additional Deputy Speaker, a suggestion put forward by the hon. Member for Somerton and Frome (Mr. Heath) and his parliamentary colleagues, but we did think that there was an argument to say that this should be reviewed in the next Parliament, along with any changes that may have occurred to the role of the Deputy Speakers.

In our view, the rules for electing the Deputy Speakers should reflect those for electing the Speaker. We believe that there should be a secret ballot, that candidates should be nominated by a minimum number of sponsors and that the names of those sponsors should be published. One point that I wish to highlight is that we did feel that there should be no speeches or hustings on the Floor of the House from Deputy Speaker candidates. That would be inappropriate, as the Deputy Speakers are there to support the Speaker in the Chair, and not to pursue their own agenda.

The Procedure Committee did however feel that it would be helpful to Members if candidates for the position of Deputy Speaker were allowed to submit a brief statement, along with their nomination forms, which should be made available to all Members in advance of the ballot. We concluded that the ballot could take place away from the Chamber and be conducted under the single transferable vote system, with the result being announced in the House by the Speaker and entered in the Journal. The newly elected Deputy Speakers could then take up their duties the following day.

It was our unanimous view that the Deputy Speakers should be elected at the start of a Parliament for the duration of that Parliament. Our report sets out a procedure for by-elections when a vacancy occurs due to the resignation of one of the Deputy Speakers or the promotion of one of them to the office of Speaker. However, in our view, the terms of office of the Deputy Speakers should run independently of that of the Speaker, and a change in the Speaker should not, in itself, necessitate a change in Deputy Speakers. We took the view that any imbalance in party or gender representation on the panel should be rectified at the next general election.

Mr. Edward Leigh (Gainsborough) (Con): When a Deputy Speaker, after serving for one Parliament, wishes to stand again, how will they be elected?

Mr. Knight: It is our recommendation that the Deputy Speakers should be elected afresh at the beginning of every Parliament. If the House therefore has an opportunity to accept or reject someone who has served in a previous Parliament as a Deputy Speaker, there would be no need to impose term limits on the holders of that office.

I hope that the House accepts what the Procedure Committee feels are sensible recommendations, so that the Deputy Speaker elections later this year can be as successful as the process applied in your election, Mr. Speaker, in 2009.

2.58 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): Following the main debate on House of Commons reform 10 days ago, which was widely regarded as a very good debate, the main purpose of today's debate is simply to pave the way for the votes that will shortly follow. For that reason, I shall keep my remarks brief.

but I do wish to emphasise strongly how critical it is that the House, on a cross-party basis and preferably with a substantial majority, endorses the two main recommendations of the Reform of the House of Commons Committee, which was, as everyone knows, chaired so ably by my hon. Friend the Member for Cannock Chase (Dr. Wright).

In politics it is almost never the case that something is "now or never", but it is certainly true that we have at this time a unique conjunction of events in favour of these reforms that is unlikely to return for a long time. No one can doubt the damage that has been done to the House's reputation by the expenses scandal. The opportunity that has now opened up to retrieve our standing, by making Parliament a more democratic, responsive and effective institution, is a priceless opportunity which we should grasp eagerly and enthusiastically. Indeed, I have often thought that, terrible though the expenses fiasco was, it was less of an indictment of this place than a reflection of the insidious and systematic erosion, over recent decades, of Parliament's fundamental rationale, which is to hold the Executive effectively to account. Especially over the past three decades, there has been a steady and growing centralisation of power in the hands of the Executive in general and of No. 10 in particular, and that relationship badly needs rebalancing. Today is an historic opportunity to begin to do that.

The two main proposals before us—giving the House ownership of its Select Committees via the process of election, and reclaiming for the House control of its own business—are certainly not revolutionary. Actually, they are quite modest. However, they are also extremely important. Unquestionably, the Select Committees are the most effective means by which the House holds Ministers to account, and it is crucial that membership should be determined by the House and not by those who might have an interest in making that scrutiny rather more amenable to the powers that be, which defeats the object of the exercise.

For the House to regain control of its own business is a sine qua non of any effective, functioning Chamber. In a previous debate, hon. Members objected that the Government might be prevented from having time to get their business through and thus their accountability to the electorate would be undermined, but the reform Committee's proposals make it clear that that is not the case, that the Government would still be guaranteed the time to get their own business through, and that the object of the reform is that Members of the House should have the right and the opportunity to determine the agenda for the rest of the time in respect of non-Government business.

Mr. Cash: Will the right hon. Gentleman give way?

Mr. Meacher: There are so many others wishing to speak. I would gladly give way normally, but there simply is not time.

There are, however, two caveats reflected in two amendments before the House that I hope will be strongly supported. One is that a Back-Bench business committee dealing with non-ministerial business be secured before the election to be ready in time for the next Parliament. That must be right if the current momentum is not to be irretrievably lost. The second caveat is that a House business committee be set up in the next Parliament so that the Back-Bench business committee can negotiate and agree with party managers on the weekly business motion. That would give the House a say in the business, while ensuring that the Government had sufficient time for their own business. I believe that both those aims are essential, and I hope that they will be passed with large majorities.

Sadly, however—this is the one point of contention, and it has already been mentioned—I think that amendment (b), in which it is proposed that a Back-Bench business committee be established now, but with only half a day a week for Back-Bench business, should be rejected, because that is even less time than we have now. What we are debating and voting on today is not the end of parliamentary reform.

Sir George Young: If the right hon. Gentleman does the arithmetic, he will find that it is not less than today. I said that it was based on what happens at the moment.

Mr. Meacher: The manner in which the amendment is drafted leads one to suspect that it would result in less time. However, the House will shortly take a view on whether that is the case. We are not prepared to accept anything less than the current position.

Several other important issues will have to be pursued in the future, and I shall mention three briefly: the improved scheduling of business to ensure more effective scrutiny of legislation on Report—the current situation is a scandal—and in Lords amendments debates; the right of the Liaison Committee to select a given quota of Select Committee reports each year for debate and a vote—I stress vote—on the Floor of the House; and greater access for the electorate to the proceedings of this place through the establishment of a public petitions committee to ensure that petitions are sent to the appropriate Select Committee for consideration, or to the relevant Minister for action or to the proposed business committee for consideration on the Floor of the House.

However, those issues are for the future. The two crucial proposals from the reform Committee that we are debating today—on elected Select Committees and on a Back-Bench and House business committee—together with the two key amendments, are essential. I cannot stress too strongly that we should all use this opportunity to pass them with acclamation.

3.5 pm

Sir Patrick Cormack (South Staffordshire) (Con): I shall be very brief. I gladly assented to all the resolutions that the House passed last week without Division, and I shall vote for all the substantive motions this afternoon. Once again, I congratulate the hon. Member for Cannock Chase (Dr. Wright) and his Committee on their hard work on behalf of us all.

The right hon. Member for Derby, South (Margaret Beckett) was right to issue a warning and to tell those of us leaving the House just to be careful. I accept that gentle stricture in the spirit in which it was given, because I have a great regard for her. She was, in my opinion, one of the best Leaders of the House that we have had in my time here.

I am very concerned, however, about the need to change the name. If you look in the "Oxford English Dictionary", as I am sure you regularly do, Mr. Speaker,

[Sir Patrick Cormack]

you will see that one of the definitions of "chairman" is a person who takes the chair at a meeting. The hon. Member for Cannock Chase said in the report that the title "Chairman of Ways and Means" should be maintained. There is a degree of inconsistency in saying that we will have a Chairman of Ways and Means, regardless of the sex or gender of that person, but not a Chairman of any other Committee. It is a time-honoured custom to refer to "Madam Chairman". Indeed, some of the women whom I have most respected, in this House and outside, have looked on such suggestions as rather silly cosmetics. The former Member, the late, lamented Gwyneth Dunwoody would have given short shrift to the proposal, as would the former Speaker, Baroness Boothroyd, who has strong views on matters of this nature, and has voiced them on an number of occasions—not in the context of the Wright report, but elsewhere.

There really is no need to make the proposed change. I submit to the House that it is rather silly and demeaning to bother with it when we are moving on other matters that are so grave and important. After all, the Leader of the House, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), has never thought to change her name, even though she has had every opportunity to do so. She could call herself "Har" or "Harperson", or even think up a name, such as—*[Interruption]*—absolutely, such as "Dromey". However, she has not chosen to do that. Frankly, the proposed change is not necessary. As one who both passionately wants sensible reform and loves the traditions of this place, I think that there is just no need for it.

I am conscious that many hon. Members wish to get in briefly, so all I would say to the House is this. Let us applaud the Wright Committee and approve of the reforms that are substantive, voting for those amendments that we think will best give them effect, but do not let us depart from the nomenclature that has defined this House through the years. Also, do not let us debase and demean the English language by moving in the direction of calling our Members furniture. I urge colleagues to vote against resolution 3, but to vote in favour of all the others.

3.9 pm

Mr. Mark Todd (South Derbyshire) (Lab): I will be very brief. If we looked at constitutional definitions of the purpose of being an MP, we would probably find three things: first, to hold the Government to account—that is what we are focusing on in these discussions—secondly, to deliberate on legislation, and thirdly, to represent, in the Burkean sense, a constituency. My grandfather, who was a Member of this House in the 1930s, would probably have recognised that role pretty well, but I would ask those Members present to say, in all honesty, whether that is a recognisable description of the activities of most MPs now.

Most MPs, particularly those occupying marginal seats, spend most of their time fulfilling the function of a super-councillor, representing and pursuing individual concerns as vigorously as possible, knowing perfectly well the premium that is attached to that function by their voters. If we are honest, however, the matters that we are discussing now are not the matters that attract a premium from our voters. I have not been approached by my constituents urging me to support these reforms. I will do so, because I think that that they are the best things that we can do, but we would be under an illusion if we thought that they offered a solution to our difficulties in engaging with the public.

The first task that we must undertake—I recognise that the Committee did not have the opportunity or the brief to do this—is properly to debate with our citizens what the function of an MP actually is in the modern world. It has changed utterly since my grandfather was here—in fact, probably in the past 40 years, which is rather less time than that. It has changed utterly, and without any proper engagement with the public as to what they want from MPs, what balance they think should be struck between our functions and what resources should be allocated to those tasks.

The proposals before us today do not attempt to address that issue. They will alter, in a beneficial way, the way in which we make decisions about the processes of the House and about how we allocate its time, but they do not address the issue of resources. They do not deal with the time resources of MPs, or with the resources that MPs need to conduct high-quality work in their Select Committees. There was an oblique reference earlier to the attendance problem in relation to MPs serving on Select Committees and other Committees of the House. I have to say that that observation was profoundly accurate. As a pretty assiduous attender myself, I have sat on Committees that have been sparsely attended all too often. I am leaving the House at the next election, but I would ask Members of the new Parliament to conduct a basic review of their own function. They must ask what we are for, and how we resource the work that we do.

These reforms are of some value. They might alter the balance between the Executive and the ordinary Member. I say "might" because patronage is an insidious process, and I strongly suspect that, however one constructs the mechanism of choice, those with an interest in producing an outcome that favours the Executive or the Front Bench will find ways of doing so. I would be surprised if that were not true, and I certainly recognise from the operations of my own party that the networking processes and regional groupings that we form have a significant influence on Members' voting patterns for posts in the party. I would be very surprised if that were not replicated in these elections, too.

The measures would alter the elites who make judgments, but elites will remain. There will be a large number of new Members of the House after the coming election, and they will feel lost in this space. I suspect that they will find themselves with very little leverage to achieve the outcomes that they want in the Select Committee processes. It might be the case that they would have done better under the old, discredited models—

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): No!

Mr. Todd: My hon. Friend says no loudly behind me, and I can see why she might say that. It is certainly true, however, that a new Member, feeling lost and without any networks in place, could well find themselves with very little say in which Select Committee they got on to, if any, and without the votes to achieve the outcomes that they wanted. So let us not over-egg what we are doing today. I will vote for the reforms because I think

that they will be beneficial, but, honestly, they are only a small part—and, in terms of our engagement with the public at large, a pretty minimal part—of what needs to be done.

3.14 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I rise to speak to amendment (c) to the motion on the Back-Bench business committee and to put some questions to the shadow Leader of the House, the right hon. Member for North-West Hampshire (Sir George Young), about his amendment (b). The right hon. Gentleman was a worthy member of the Wright Committee—initially, until he found his new home on the Conservative Front Bench. We all congratulated him on that at the time. Two weeks ago, I thought he played a statesmanlike role in our proceedings, but I would be grateful if he could answer a number of questions about his amendment in order to keep that title untainted, if I can put it that way.

There are several problems with the right hon. Gentleman's amendment. First, this House elected the Wright Committee to represent its views, consider the relevant matters and bring recommendations. It is not binding; no Select Committee report is binding. It gives rise to pause for thought when an elected Committee comes along with very strong recommendations, yet an amendment is tabled in the name of one party to ride roughshod over those recommendations.

Secondly, the right hon. Gentleman must recognise that amendment (c), with which his amendment (b) is competing, endorses and flexibly implements the recommendations of the Wright Committee. His amendment does not do that. Thirdly, his amendment says that this can happen only

"in the light of further consideration by the Procedure Committee".

As already noted—I intend no slight on the people serving on that Committee who I am sure do a very good job and have done so on the report about Deputy Speakers—the Procedure Committee is not an elected Committee; it is still appointed by the Whips. The right hon. Gentleman is asking for the Back-Bench business committee's terms of reference and relevant Standing Order to be determined by a Committee that is presently appointed by the Whips. Furthermore, how does he envisage that being done in the two weeks we have before Parliament is dissolved? His amendment says that it will be established

"in time for the beginning of the next Parliament"—

that is good—

"in the light of further consideration by the Procedure Committee".

I would be grateful if he would address that concern about the timing.

Sir George Young: Someone will have to change the Standing Orders. Someone will have to draft the provision—I do not mind who does it, but I suggested that the Procedure Committee was the best body to do so and report back before the end of this Parliament so that we can get things up and running at the beginning of the next one.

Dr. Harris: I trust the right hon. Gentleman would have no objection to an elected Committee of the House doing that. I am glad that he indicates assent from a sedentary position. The Wright Committee may be well placed to do that work, as I can assure the right hon. Gentleman that it has given considerable thought to the changes to the Standing Orders that will be required, so it will not be making a standing start.

Mr. Cash: The right hon. Member for Derby, South (Margaret Beckett) talked about wrangling over this extremely important House business committee. Does the hon. Gentleman agree that, just as we are having a free vote on implementing the proposals before us, the result of any such wrangling must also be subject to a free vote? Otherwise, the Executive will prevail on all occasions when the House business committee takes its own view in negotiations with the official Committee.

Dr. Harris: The hon. Gentleman asks an important question about the House business committee, which is covered by amendment (a) to motion 7 and various recommendations in the report. I was not dealing with that, but the hon. Gentleman makes some important points, which the Wright Committee debated at length, about how one ensures a consensual approach to agreeing the agenda; otherwise, regardless of what he says about free votes, the Government of the day will be able to get their way, which would wreck the whole process. I urge him to read what the report has to say about the need to have the House business committee working consensually when it is set up. As long as everyone has time to do their stuff, these should not be matters of dispute. Proper consideration on Report and of Lords amendments should be agreed, and the Government can then use their majority to get their business through. Amendment (a) provides guarantees that the Government have time to do that.

I ask the right hon. Member for North-West Hampshire to address what I view as the fundamental problem with his amendment (a) to the motion on the Back-Bench business committee. Amendment (c) specifies support for recommendation 18 of the Wright Committee report—probably the most important of the subsidiary recommendations, as it talks about a Back-Bench business committee being elected. The right hon. Gentleman's amendment leaves out any recognition of that recommendation and makes no reference to a Back-Bench business committee being elected. As the shadow Leader of the House knows, unless we specify in the Standing Order, and unless whatever Committee is involved has the time, the default will be that it would not be elected, which would wreck the whole proposal. If a Back-Bench business committee is not elected by the House, I cannot see why he should accept that any other Committee should be.

As long as the concerns about time are met, I hope that the right hon. Gentleman, and the Leader of the House, will accept that the amendment concerned will do the trick. His amendment refers to "15 days allotted"—I presume he means currently allotted—to set-piece debates. That is less than half a day a week. The Wright Committee, however, was clear that if we tot up those 15 days, and the 12 days in the last Session—this might be a variable feast—subsequently allotted for general debates, which he says will subsequently come our way, plus the topical time, which should be for the House, plus other House business that must be moved in Government time, it amounts to a day a week. Amendment (c) refers to

[Dr. Evan Harris]

non-ministerial business. If the system is introduced, it cannot be right for crucial House business still to be moved in Government time, because we will still have problems when we debate setting up important Select Committees and changing Standing Order. Although it could be argued that the proposal is in the spirit of the Wright Committee, amendment (b) is flawed. The Leader of the House's support should have given the shadow Leader of the House pause for thought, since she is not supporting other elements of the Wright Committee.

The right hon. Member for Derby, South was concerned that we might be moving too fast towards a House business committee. However, the terms of amendment (a) are clear: only after the establishment of a Back-Bench business committee, which we think will be at the beginning of the next Parliament if amendment (c) is passed, will the House move towards the establishment of a House business committee. That gives plenty of time to see how the Back-Bench business committee is working and how Government and Opposition Whips—business managers, we should say—should work with that Back-Bench business committee to reach agreement to solve the serious problems of Report stage.

I did not understand how the Leader of the House could say that she opposed amendment (d) because it should be left "to the next Parliament". Amendment (d) would add the words

"and also looks forward to the following recommendations of the Committee being given further consideration in the next Parliament".

How can she oppose a motion in its own terms, by its own terms? It does not make sense. I hope that she will reconsider that, as she has reconsidered her position on a number of such matters, which we have welcomed.

By supporting amendment (c) to motion 7, and amendment (a), we have an opportunity to show the electorate that we recognise that now is the time to make such decisions. We will never again have the coincidence of all the forces that have led us to recognise that reform is necessary. If we are ever to crack the problem of the House having control of its agenda, and of making sure that it can debate and vote on all the legislation that the Government put before it, we must support amendments (c) and (a) to motion 7.

3.23 pm

Dr. Tony Wright (Cannock Chase) (Lab): I will be extremely brief, as I spoke at some length last Monday. Let me say to my friend—he is my friend—and parliamentary neighbour the hon. Member for South Staffordshire (Sir Patrick Cormack) that I have enjoyed over the years hearing him denounce furniturism. But I also have to tell him that if we can safely and sensibly move from a term that is intrinsically gender-laden to one that is gender-neutral, we should do it. We should do it not because of political correctness but as a matter of common sense and common courtesy. In 2010, I think we can take that step in some kind of safety.

Everyone, from the Prime Minister downwards and sideways, has said that strengthening Parliament is the mission before us. We all make the speeches, but this is the moment we get a chance to do it. It is appropriate that most of us are reflecting today on the life of Michael Foot. I do not claim for a second that Michael would be in the Lobby with me today. If I did, my right hon. Friend the Member for Derby, South (Margaret Beckett) would tell me I was wrong. I know, however, that we could not reflect on Michael Foot in a better way than by showing determination to strengthen the institution that he loved.

Plenty of accolades have been given out during this debate. Let me now give my own accolade to my hon. Friend the Member for Stoke-on-Trent, Central (Mark Fisher), who, incidentally, has just returned from the surgeon's knife. Many years ago he set up an organisation called Parliament First, and he has toiled year in year out to enable us to reach the point that we have reached today. He has just told me that this represents the culmination of his parliamentary life. He deserves huge credit for what he has done.

Our proposals are not ad hoc, isolated proposals; they have a theme. The theme is that the time has come for the House to reclaim responsibility for itself and its own business. That is what unifies our proposals on Select Committees. As we now say endlessly, it cannot be right for the Executive or the party managers to control the membership of Select Committees, either directly or indirectly. The only way to alter that system, as we discovered in our deliberations, is to move to a system of election.

Mr. Andrew Tyrie (Chichester) (Con): Will the hon. Gentleman give way?

Dr. Wright: If the hon. Gentleman does not mind, I will not, because I am going to end my speech very soon.

We have reached a point at which it can no longer be acceptable for the Executive to control business that should properly belong to the House. That is the unifying theme of our proposals. However, I strongly agree with my right hon. Friend the Member for Derby, South that with control comes responsibility. It is easy to set up new structures, which I hope is what we will do today, but someone must make them work, and that means making them work in a responsible fashion. In a way it is easy when we can blame the Government for everything, but from now on we shall have to attend to ourselves and take responsibility for ourselves. If we do not do that, this is not going to work; it will be sunk. We should not imagine that this is the moment at which we have done it, because we have not. We are at the beginning of a process which I hope will change the nature of this institution, but it will do that only if the people who come after us make sure that it does.

Frank Dobson (Holborn and St. Pancras) (Lab): I approve of the idea of electing the Chairs of Select Committees, but how can we assert responsibility, representative government and accountability if we are so craven that we need a secret ballot to do so? That is no reflection on the product of the only secret ballot that we have had—Mr. Speaker, who is doing an excellent job—but surely we ought to be able to display honestly to our constituents which Members we wanted to chair these important Committees, rather than being too craven to put it on the record.

Dr. Wright: I have never considered the argument for a secret ballot to be a craven argument; I have always considered it a rather traditional democratic argument.

The real contention now surrounds the amendments on the Back-Bench business committee. The one thing that has been agreed by everyone during this process—even those who were not persuaded by what we said about the House business committee—is that non-ministerial business should be controlled by a Back-Bench business committee. Given the universal agreement on that, why do we not nail it down in the most decisive form possible by saying that we want to do now what needs to be done to ensure that the Committee is in place at the beginning of the next Parliament?

I have great regard for the shadow Leader of the House, as he knows, but the problem with his amendment is that it looks like crumbs from the Executive table. All that our amendment is proposing is that we do what is recommended in our report, which is to take, for example, all that crucial, procedural stuff not covered by the right hon. Gentleman's amendment but which enables us to get to the House issues that affect how it is run, and put it into a category of non-ministerial business. We want to give that to a Back-Bench business committee. We want a Standing Order to nail that down and we want to do it in this Parliament. That is the difference between the two amendments.

We have taken some steps in this Parliament that unfortunately have had the effect of weakening the institution. We all now know that the task is to strengthen it. These measures by themselves will not do that; all they do is provide a set of tools that people in the next Parliament, our successors, can use, if they want to, to make this place a more vital institution. That is our job today; it is their job tomorrow.

3.31 pm

Mr. Christopher Chope (Christchurch) (Con): I shall speak briefly in support of the two amendments tabled in my name and that of many other right hon. and hon. Members. I am grateful for the support indicated by the Wright Committee in its guide to amendments and votes. I am also grateful to my right hon. Friend the Member for East Yorkshire (Mr. Knight), the Chairman of the Procedure Committee, for agreeing that it is logical that the Committee should be included within the chairmanships that will be subject to a ballot and proper election. The argument against has been based on the fact that the Committee is sui generis and in that respect different from other departmental Select Committees. So it is, but what about the Public Accounts Committee? If we are to elect the chairman of the PAC, why not the Chairman of the Procedure Committee? I hope people will support the amendment.

Amendment (o) is born out of my experience when I was first elected to the House in 1983, when we waited about six months to set up the Select Committees and it was extremely frustrating for all. I looked with care at the Leader of the House's wording for the proposed change to Standing Orders and it seemed to me that there was a lacuna. She has said that if within one week of the Queen's Speech the Committee is set up as a result of an agreement between the leaders of the parties to nominate the Chairs, such and such will happen. But what if it is not done within one week? We will then be wholly beholden to the Executive to decide when they will bring forward proposals.

The amendment would give one more week's grace—until two weeks after the Queen's Speech. If by that time the usual channels have not come forward with an agreed process, it would be open to any Member of the House to move a motion to decide the issue. It would be the duty of the Speaker to accept the motion and to put it down for debate on the following day. That would ensure that we got the Select Committees set up early in a new Parliament, and we would not find ourselves being frustrated Back Benchers, wondering when the Executive would be kind and generous enough to give us the chance to set up these important Select Committees.

The amendment fills an important lacuna and I am grateful to those Members who have already indicated that they will support it if there is a Division.

Several hon. Members *rose—*

Mr. Speaker: There are fewer than seven minutes remaining, so if more than one Member is to contribute, we shall need contributions to be very brief.

3.34 pm

Martin Salter (Reading, West) (Lab): I made my maiden speech in this House on the subject of parliamentary reform and the overbearing power of the Whips. I was told by my Whip a day later that my career was over, and he was, of course, entirely right.

I want to touch briefly upon stuff from the Procedure Committee. Let us be honest, Mr. Speaker: you are the only holder of the speakership who has been elected by secret ballot, so it is not true to suggest that the Speaker of this House is not elected by secret ballot. What there is an open ballot on, however, is the mechanism to deselect the Speaker. That can be done by a single Member calling, "Object", as one of the first items of business when the new Parliament reassembles. If Members wish to deselect the Speaker, they should have the courage to go through that Division Lobby and put their name on the record. That is the kernel of that debate, and I am glad we will not be wasting any more time on it.

Members who support parliamentary reform should be deeply suspicious of any collusion, even in a free vote, between those on the two Front Benches, and we have such collusion today in that the Leader of the House, for whom I have great respect, will be supporting amendment (b) to motion 7, which was tabled by the shadow Leader of the House, for whom I also have great respect. Therefore, the Leader of the House will be supporting an Opposition amendment to her own motion, which will ensure that the amendment tabled by my hon. Friend the Member for Cannock Chase (Dr. Wright), who is Chair of the Reform of the House of Commons Committee, will fall. As has been amply explained by the hon. Member for Oxford, West and Abingdon (Dr. Harris) and my hon. Friend who chairs the Committee—of which I am proud to be a member—we will have a flimsier Back-Bench committee as a result.

I do not believe that my constituents, or those of any other Member, are focused on the fine detail of this debate, but I think they know that this of all Parliaments has to demonstrate a capacity to reform. It has to demonstrate a capacity to get the reform agenda back on track—an agenda that, to be frank, stalled when this House tragically lost the services of Robin Cook. That is important not just for the reputation of this House and our politics, but for our ability to legislate effectively.

[Martin Salter]

because we all know that good laws require good scrutiny, and good scrutiny needs a House of Commons that is amply able to hold the Executive to account and to pass legislation of which we can be proud, rather than, as at the moment, legislation we have to revisit, sometimes annually.

3.37 pm

Mr. Andrew Tyrie (Chichester) (Con): First, may I express regret that we have not been given an opportunity to vote on all the recommendations of the Wright Committee today? May I highlight an amendment that is in my name and that of a number of other Members, which would enable the chairmanship of the Intelligence and Security Committee to be voted on by secret ballot while giving the Prime Minister a veto at the nomination stage? That modest reform would have improved the credibility of the ISC's scrutiny and work, and public confidence in it. That is particularly apposite in view of the Committee's apparent failure to be able to scrutinise adequately the Binyam Mohamed case.

I wish to make two other extremely brief points. After some considerable thought I am going to support amendment (b) to motion 7. I realise that that will disappoint some in the House—*[Interruption.]* I can tell that this is so from a few nodding heads. I still feel that we should proceed cautiously on the creation of the business committee. I am a supporter of it—I have supported it for a long time and have said so—but I take the view that, as a number of others have said this afternoon, it is an experiment. I do not think it an experiment that we should not even try—that appeared to be the view of the former Leader of the House, the right hon. Member for Derby, South (Margaret Beckett). If the experiment works, as I suspect it will, we will then be able to take the reform further.

I shall end my contribution by saying that by far the most important reform looks as if it will go through, and I very much hope it will. I am talking about the proposal for the election of Chairmen of Select Committees by secret ballot. That will be by far the most important single change to the scrutiny of the Executive by this place to have occurred since the St. John-Stevas reforms in 1979. Over time, the proposal has the capacity to transform the effectiveness of this place. I have supported and campaigned for this measure for more than a decade, so I am pleased that the Wright Committee has proposed it. The proposal will enable us, finally, to scrutinise the Executive, with spokesmen for this place able to take on the Executive in the media outside and to act as spokesmen for us here in Parliament.

3.40 pm

Natascha Engel (North-East Derbyshire) (Lab): Do I have one minute left in which to speak, Mr. Speaker? I shall try to squeeze into it the many things I want to say about these so-called "reforms". I spoke in last week's debate in order to say that I do not think they are reforms, and that we are missing a massive opportunity to make some serious reforms in this House. The consensus that has emerged, that the proposals before the House are reforms, is a dangerous one. The Front-Bench teams of both sides and the minority parties—

Mr. Speaker: Order. I am sorry that the hon. Lady did not get so much as a minute in which to speak, but we have reached the deadline.

3.41 pm

Two hours having elapsed since the commencement of proceedings on the Business of the House motion, the Speaker put the Question (Order, this day).

The House divided: Ayes 206, Noes 90.

Division No. 97] **[3.41 pm**

AYES

Abbott, Ms Diane	Eagle, Angela
Alexander, Danny	Eagle, Maria
Allen, Mr. Graham	Efford, Clive
Anderson, Mr. David	Ellman, Mrs. Louise
Atkins, Charlotte	Engel, Natascha
Bailey, Mr. Adrian	Etherington, Bill
Bain, Mr. William	Farrelly, Paul
Baird, Vera	Featherstone, Lynne
Baker, Norman	Fisher, Mark
Banks, Gordon	Fitzpatrick, Jim
Barlow, Ms Celia	Flint, rh Caroline
Barrett, John	Foster, Mr. Don
Barron, rh Mr. Kevin	Foster, Michael Jabez
Battle, rh John	*(Hastings and Rye)*
Bayley, Hugh	Francis, Dr. Hywel
Beckett, rh Margaret	Gapes, Mike
Begg, Miss Anne	Gardiner, Barry
Benton, Mr. Joe	Gerrard, Mr. Neil
Berry, Roger	Gidley, Sandra
Betts, Mr. Clive	Gilroy, Linda
Blackman-Woods, Dr. Roberta	Goodman, Helen
Bradshaw, rh Mr. Ben	Grogan, Mr. John
Brake, Tom	Hall, Patrick
Breed, Mr. Colin	Hamilton, Mr. David
Brennan, Kevin	Hancock, Mr. Mike
Brokenshire, James	Hanson, rh Mr. David
Bryant, Chris	Harman, rh Ms Harriet
Burden, Richard	Harris, Dr. Evan
Burstow, Mr. Paul	Heath, Mr. David
Burt, Lorely	Hemming, John
Butler, Ms Dawn	Hendrick, Mr. Mark
Cable, Dr. Vincent	Hillier, Meg
Caborn, rh Mr. Richard	Holmes, Paul
Campbell, rh Sir Menzies	Hopkins, Kelvin
Caton, Mr. Martin	Horwood, Martin
Cawsey, Mr. Ian	Hosie, Stewart
Clark, Ms Katy	Howarth, David
Clegg, rh Mr. Nick	Howarth, rh Mr. George
Clelland, Mr. David	Hughes, Simon
Clwyd, rh Ann	Hunter, Mark
Coaker, Mr. Vernon	Iddon, Dr. Brian
Coffey, Ann	Illsley, Mr. Eric
Cohen, Harry	Irranca-Davies, Huw
Connarty, Michael	Jackson, Glenda
Cook, Frank	Jenkins, Mr. Brian
Cooper, Rosie	Jones, Lynne
Corbyn, Jeremy	Keeley, Barbara
Cousins, Jim	Keen, Alan
Cruddas, Jon	Keetch, Mr. Paul
Cryer, Mrs. Ann	Kennedy, rh Mr. Charles
Cunningham, Mr. Jim	Kidney, Mr. David
Davey, Mr. Edward	Kramer, Susan
Davies, Mr. Dai	Ladyman, Dr. Stephen
Dhanda, Mr. Parmjit	Lamb, Norman
Dismore, Mr. Andrew	Lazarowicz, Mark
Dobson, rh Frank	Leech, Mr. John
Doran, Mr. Frank	Lepper, David
Drew, Mr. David	Levitt, Tom

Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Marshall-Andrews, Mr. Robert
Mason, John
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFall, rh John
McIsaac, Shona
McKechin, Ann
Meacher, rh Mr. Michael
Michael, rh Alun
Miller, Mrs. Maria
Mitchell, Mr. Austin
Moffatt, Laura
Moore, Mr. Michael
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Naysmith, Dr. Doug
Oaten, Mr. Mark
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Pugh, Dr. John
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Rogerson, Dan
Rowen, Paul
Salter, Martin
Sanders, Mr. Adrian
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Short, rh Clare
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Taylor, Ms Dari
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timms, rh Mr. Stephen
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Walley, Joan
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Hywel
Williams, Mark
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Wishart, Pete
Woolas, Mr. Phil
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Helen Jones and
Lyn Brown

NOES

Amess, Mr. David
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Davies, Philip
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Fabricant, Michael
Field, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harvey, Nick
Heathcoat-Amory, rh Mr. David
Herbert, Nick
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horam, Mr. John
Howarth, Mr. Gerald
Howell, John
Jack, rh Mr. Michael
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Leigh, Mr. Edward
Lewis, Dr. Julian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
May, rh Mrs. Theresa
McIntosh, Miss Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Pritchard, Mark
Randall, Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Rosindell, Andrew
Russell, Bob
Scott, Mr. Lee
Soames, Mr. Nicholas
Steen, Mr. Anthony
Swayne, Mr. Desmond
Swire, Mr. Hugo
Taylor, Matthew
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Villiers, Mrs. Theresa
Walker, Mr. Charles
Walter, Mr. Robert
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas

Tellers for the Noes:
Mr. Brian Binley and
Mr. Peter Bone

Question accordingly agreed to.

Resolved,

(1) That this House approves recommendation 3 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008-09, HC 1117; and

(2) That accordingly, in each place where they occur in any Standing Order related to Public Business, Order or Resolution of the House, except as provided in paragraphs (3) and (4) below:

(a) for "chairman" there shall be substituted "chair";

(b) for "chairmen" there shall be substituted "chairs"; and

(c) for "Chairmen's Panel" there shall be substituted "Panel of Chairs";

(3) That the following changes to Standing Orders be made:

(a) In Standing Order No. 9 (Sittings of the House)

(i) in line 25, leave out "chairman" and insert "occupant of the chair",

(ii) in line 32, leave out "chairman" and insert "occupant of the chair", and

(iii) in line 37, leave out "chairman" and insert "occupant of the chair";

(b) In Standing Order No. 11 (Friday sittings), in line 29, leave out "chairman" and insert

"occupant of the chair"; and

(c) In Standing Order No. 35 (Dilatory motion in abuse of the rules of the House), line 10, leave out "chairman" and insert "occupant of the chair";

(4) That this order shall not apply to the titles of Chairman of Ways and Means, Deputy Chairman

or Chairmen or the Lord Chairman of Committees where they occur in any Standing Order, Order or Resolution of the House.

The Speaker then put the Questions necessary for the disposal of the business to be concluded at that time (Order, this day).

ELECTION OF COMMITTEE CHAIRS

Motion made, and Question proposed,

That the following Standing Order be made, with effect from the beginning of the next Parliament

(1) The chairs of the following select committees shall be elected by the House in accordance with paragraphs (2) to (13) below:

(a) select committees appointed under Standing Order No. 152 (select committees related to government departments);

(b) the Environmental Audit Committee;

(c) the Select Committee on Public Administration; and

(d) the Committee of Public Accounts.

(2) The day following his election at the start of a new Parliament, the Speaker shall communicate to the leaders of each party represented in the House the proportion of chairs of select committees to be elected under this Order falling to each such party which would reflect the composition of the House.

(3) If, within a week of the Queen's speech, a motion in the name of the leaders of all the parties entitled to one or more chairs of select committees subject to election under this Order specifying to which party each such chair is allocated is moved, the questions necessary to dispose of proceedings on the motion shall be put not later than one hour after their commencement, proceedings on the motion shall be exempted business and Standing Order No. 41A (Deferred divisions) shall not apply.

(4) If a motion to which paragraph (3) above applies also makes changes to Standing Order No. 152 (Select committees related to government departments) which are consequential on changes to the machinery of government, then the questions necessary to dispose of proceedings on the motion shall be put not later than one and a half hours after their commencement; proceedings on the motion shall be exempted business; and Standing Order No. 41A (Deferred divisions) shall not apply.

(5) If the House has agreed a motion allocating chairs to parties the election of the chairs shall take place in accordance with the remaining provisions of this order.

(6) The ballots shall take place fourteen days after the approval of the motion allocating chairs to parties.

(7) (a) Nominations of candidates shall be in writing and shall be received by the Clerk of the House by 5.00 pm on the day before the ballot.

(b) Each nomination shall consist of a signed statement made by the candidate declaring his willingness to stand for election, accompanied by the signatures of fifteen Members elected to the House as members of the same party as the candidate or ten per cent. of the Members elected to the House as members of that party, whichever is the lower.

(c) Statements may be accompanied by signatures of up to five Members elected to the House as members of any party other than that to which the candidate belongs, or members of no party.

(d) No Member may sign the statement of more than one candidate for chair of the same select committee.

(e) No Member may be a candidate for the chair of a select committee which has not been allocated to his party under paragraph (3) of this order or otherwise, or for which he is ineligible under Standing Order No. 122A (Term limits for chairmen of select committees).

(f) No Member may be a candidate for more than one chair elected under this order.

(g) As soon as practicable following the close of nominations, lists of the candidates and their accompanying signatories shall be published.

(8) Election of chairs of select committees under this order shall be by secret ballot.

(9) Preparatory arrangements for the ballots shall be made under the supervision of the Clerk of the House.

(10) (a) If there is only one candidate for the chair of a select committee, that candidate shall be declared elected without a ballot.

(b) The ballot shall take place in a place appointed by the Speaker.

(c) Each Member intending to vote shall be provided with a ballot paper for each select committee bearing the names of the candidates listed in alphabetical order.

(d) Members will vote by ranking as many candidates as they wish in order of preference, marking 1 by the name of their first preference, 2 by the name of their second preference, and so on. Any candidate who receives more than half the first preferences shall be elected. If no candidate is so elected, the candidate or candidates with the lowest number of first preferences shall be eliminated and his votes distributed among the remaining candidates according to the preferences on them. If no candidate has more than half the votes, the process of elimination and distribution is repeated, until one candidate has more than half the votes.

(e) The ballot shall be open between 10.00 am and 5.00 pm and counting shall take place under arrangements made by the Clerk of the House.

(11) The Speaker shall have power to give directions on any matter of doubt arising from the conduct of a ballot or from an individual ballot paper and to vary the timings given in paragraphs 5 to 10 of this order.

(12) As soon as practicable after the closing of the ballot the results shall be published under the direction of the Speaker.

(13) A chair elected under this order is a member of the committee of which he is elected chair.—*(Ms Harman.)*

Amendment proposed to motion 4: (p), after paragraph (1)(d), insert—

'( ) the Select Committee on Procedure.'.—*(Mr. Chope.)*

Question put, That the amendment be made.

A Division was called.

Mr. Speaker: Division off.

Question agreed to.

Mr. Speaker: As I have announced to the House, the Division is off. I think that there was some confusion, although there should not really have been any. It was very clear in my mind, and I hope in some other people's minds, that it was the first amendment in the list that was being moved. Nevertheless, there was a level of confusion, but it does not matter, as it has been overcome and the Noes withdrew.

I would like to ask the hon. Member for Christchurch (Mr. Chope) to move amendment (o) formally.

Amendment proposed to motion 4: (o), after paragraph (4) insert—

'( ) If, on the expiry of two weeks after the Queen's Speech, no motion in the name of the leaders of all the parties entitled to one or more chairs of select committees subject to election under this Order specifying to which party each said chair is allocated has been tabled, on the following sitting day the Speaker shall give precedence to a motion tabled thereafter by any hon. Member to allocate chairs under this Order and the provisions of paragraphs 3 and 4 shall apply to proceedings on such a motion.'.—*(Mr. Chope.)*

Question put, That the amendment be made.

The House divided: Ayes 279, Noes 31.

Division No. 98] **[3.59 pm**

AYES

Abbott, Ms Diane	Baird, Vera
Alexander, Danny	Baker, Norman
Amess, Mr. David	Baldry, Tony
Arbuthnot, rh Mr. James	Barlow, Ms Celia
Atkins, Charlotte	Baron, Mr. John
Bacon, Mr. Richard	Barrett, John
Bailey, Mr. Adrian	Battle, rh John
Bain, Mr. William	Bayley, Hugh

Begg, Miss Anne
Beith, rh Sir Alan
Benton, Mr. Joe
Benyon, Mr. Richard
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, rh Mr. Ben
Brady, Mr. Graham
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Bryant, Chris
Burden, Richard
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butler, Ms Dawn
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, Philip
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Drew, Mr. David
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Evans, Mr. Nigel
Fabricant, Michael
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Foster, Mr. Don
Francis, Dr. Hywel
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gilroy, Linda
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Green, Damian
Greenway, Mr. John
Grieve, Mr. Dominic
Grogan, Mr. John
Gummer, rh Mr. John
Hall, Patrick
Hamilton, Mr. David
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howell, John
Hughes, Simon
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Jones, Lynne
Jones, Mr. Martyn
Keen, Alan
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Khan, rh Mr. Sadiq
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lamb, Norman
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Leigh, Mr. Edward
Lepper, David
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Dr. Julian
Lidington, Mr. David
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Loughton, Tim
Love, Mr. Andrew
Luff, Peter
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McDonnell, John
McFall, rh John
McIsaac, Shona
McKechin, Ann
McLoughlin, rh Mr. Patrick
Meacher, rh Mr. Michael
Michael, rh Alun
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Newmark, Mr. Brooks
Oaten, Mr. Mark
Öpik, Lembit
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Penrose, John
Plaskitt, Mr. James
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Pritchard, Mark
Pugh, Dr. John
Purnell, rh James
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robertson, Angus
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Salter, Martin
Sanders, Mr. Adrian
Scott, Mr. Lee
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Short, rh Clare
Smith, rh Mr. Andrew
Smith, Sir Robert
Snelgrove, Anne
Soames, Mr. Nicholas
Soulsby, Sir Peter
Steen, Mr. Anthony
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Todd, Mr. Mark
Tredinnick, David
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Twigg, Derek
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Walley, Joan
Walter, Mr. Robert
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, rh Malcolm
Wiggin, Bill
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Hywel
Williams, Mark
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Dr. Tony
Wyatt, Derek
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Peter Bone and Mr. Brian Binley

NOES

Atkinson, Mr. Peter
Balls, rh Ed
Barron, rh Mr. Kevin
Beckett, rh Margaret
Blunkett, rh Mr. David
Coaker, Mr. Vernon
Dobson, rh Frank
Duddridge, James
Eagle, Angela
Eagle, Maria
Gerrard, Mr. Neil
Goodman, Helen
Greening, Justine
Hanson, rh Mr. David

Harman, rh Ms Harriet	Meale, Mr. Alan
Hillier, Meg	Shaw, Jonathan
Howarth, Mr. Gerald	Skinner, Mr. Dennis
Jackson, Glenda	Strang, rh Dr. Gavin
Keeley, Barbara	Taylor, Ms Dari
Kidney, Mr. David	Timms, rh Mr. Stephen
McAvoy, rh Mr. Thomas	Wilson, Mr. Rob
McCarthy, Kerry	**Tellers for the Noes:**
McCarthy-Fry, Sarah	**Helen Jones and**
McIntosh, Miss Anne	**Lyn Brown**

Question accordingly agreed to.

Amendment made to motion 4: (q), after paragraph (7)(e) insert—

'( ) No member may be a candidate for the chair of the Committee of Public Accounts unless his party is that of the official Opposition.'.—*(Mr. Leigh.)*

Main Question, as amended, put and agreed to.

Resolved,

That the following Standing Order be made, with effect from the beginning of the next Parliament—

(1) The chairs of the following select committees shall be elected by the House in accordance with paragraphs (2) to (14) below:

(a) select committees appointed under Standing Order No. 152 (select committees related to government departments);

(b) the Environmental Audit Committee;

(c) the Select Committee on Public Administration; and

(d) the Committee of Public Accounts.

( ) the Select Committee on Procedure.

(2) The day following his election at the start of a new Parliament, the Speaker shall communicate

to the leaders of each party represented in the House the proportion of chairs of select committees to be elected under this Order falling to each such party which would reflect the composition of the House.

(3) If, within a week of the Queen's speech, a motion in the name of the leaders of all the parties entitled to one or more chairs of select committees subject to election under this Order specifying to which party each such chair is allocated is moved, the questions necessary to dispose of proceedings on the motion shall be put not later than one hour after their commencement, proceedings on the motion shall be exempted business and Standing Order No. 41A (Deferred divisions) shall not apply.

(4) If a motion to which paragraph (3) above applies also makes changes to Standing Order No. 152 (Select committees related to government departments) which are consequential on changes to the machinery of government, then the questions necessary to dispose of proceedings on the motion shall be put not later than one and a half hours after their commencement; proceedings on the motion shall be exempted business; and Standing Order No. 41A (Deferred divisions) shall not apply.

( ) If, on the expiry of two weeks after the Queen's Speech, no motion in the name of the leaders of all the parties entitled to one or more chairs of select committees subject to election under this Order specifying to which party each said chair is allocated has been tabled, on the following sitting day the Speaker shall give precedence to a motion tabled thereafter by any hon. Member to allocate chairs under this Order and the provisions of paragraphs 3 and 4 shall apply to proceedings on such a motion.

(5) If the House has agreed a motion allocating chairs to parties the election of the chairs shall take place in accordance with the remaining provisions of this order.

(6) The ballots shall take place fourteen days after the approval of the motion allocating chairs to parties.

(7) (a) Nominations of candidates shall be in writing and shall be received by the Clerk of the House by 5.00 pm on the day before the ballot.

(b) Each nomination shall consist of a signed statement made by the candidate declaring his willingness to stand for election, accompanied by the signatures of fifteen Members elected to the House as members of the same party as the candidate or ten per cent. of the Members elected to the House as members of that party, whichever is the lower.

(c) Statements may be accompanied by signatures of up to five Members elected to the House as members of any party other than that to which the candidate belongs, or members of no party.

(d) No Member may sign the statement of more than one candidate for chair of the same select committee.

(e) No Member may be a candidate for the chair of a select committee which has not been allocated to his party under paragraph (3) of this order or otherwise, or for which he is ineligible under Standing Order No. 122A (Term limits for chairmen of select committees).

( ) No member may be a candidate for the chair of the Committee of Public Accounts unless his party is that of the official Opposition.

(f) No Member may be a candidate for more than one chair elected under this order.

(g) As soon as practicable following the close of nominations, lists of the candidates and their accompanying signatories shall be published.

(8) Election of chairs of select committees under this order shall be by secret ballot.

(9) Preparatory arrangements for the ballots shall be made under the supervision of the Clerk of the House.

(10) (a) If there is only one candidate for the chair of a select committee, that candidate shall be declared elected without a ballot.

(b) The ballot shall take place in a place appointed by the Speaker.

(c) Each Member intending to vote shall be provided with a ballot paper for each select committee bearing the names of the candidates listed in alphabetical order.

(d) Members will vote by ranking as many candidates as they wish in order of preference, marking 1 by the name of their first preference, 2 by the name of their second preference, and so on. Any candidate who receives more than half the first preferences shall be elected. If no candidate is so elected, the candidate or candidates with the lowest number of first preferences shall be eliminated and his votes distributed among the remaining candidates according to the preferences on them. If no candidate has more than half the votes, the process of elimination and distribution is repeated, until one candidate has more than half the votes.

(e) The ballot shall be open between 10.00 am and 5.00 pm and counting shall take place under arrangements made by the Clerk of the House.

(11) The Speaker shall have power to give directions on any matter of doubt arising from the conduct of a ballot or from an individual ballot paper and to vary the timings given in paragraphs (6) to (11) of this order.

(12) As soon as practicable after the closing of the ballot the results shall be published under the direction of the Speaker.

(13) A chair elected under this order is a member of the committee of which he is elected chair.

RESIGNATION OR REMOVAL OF CHAIRS OF SELECT COMMITTEES

Resolved,

That the following Standing Order be made, with effect from the beginning of the next Parliament—

(1) In the case of a select committee to which the provisions of Standing Order No. (*Election of select committee chairs*) applies, where

(a) the chair has ceased to be a member of the House, or

(b) the chair has given written notice to the Speaker of a wish to resign from the chair, or

(c) the committee has reported a resolution that it has no confidence in the chair in accordance with the terms of paragraphs (3) and (4) of this order the Speaker shall declare the chair vacant and, as soon as practicable, announce the date of the election for the position of chair of that committee which shall be not fewer than ten sitting days after that announcement.

(2) The election shall be held according to the provisions of paragraphs (2) to (13) of Standing Order No. (*Election of select committee chairs*), save that nominations shall be submitted by 12 noon on the day before the ballot.

(3) No motion expressing no confidence in its chair may be made in a committee unless notice of the motion has been circulated to the chair and all members of the committee at least ten sitting days in advance of the meeting at which the motion is made.

(4) A resolution by a committee expressing no confidence in its chair shall not have effect for the purposes of paragraph (1) above unless either

(a) it is agreed by the committee without a division or

(b) the majority of the membership of the committee, including at least two members from the largest party represented on the committee and at least one member from another party, vote in favour of the resolution.

(5) A motion expressing no confidence in the chair may not be made in a committee in the six months following the election of a chair by the House or in the year following a vote on such a motion on that chair.—*(Ms Harman.)*

ELECTION OF MEMBERS OF SELECT COMMITTEES

Motion made, and Question proposed,

That this House takes note of recommendation 6 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and endorses the principle that parties should elect members of select committees in a secret ballot by whichever transparent and democratic method they choose.—*(Ms Harman.)*

Amendment made to motion 6: (a), at end add

'and further notes and endorses recommendation 8 in the First Report from the Liaison Committee of this Session, HC 272, and directs that where the attendance of any member of a select committee in any Session is below 60 per cent. of the Committee's formal meetings, at the end of that Session the Speaker may invite the Chairman of the Committee of Selection to propose to the House that any such Member should be discharged and that an election to fill that vacancy should be held within two weeks of the beginning of the next Session.' —*(Mr. Alan Williams.)*

Main Question, as amended, put and agreed to.

Resolved,

That this House takes note of recommendation 6 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and endorses the principle that parties should elect members of select committees in a secret ballot by whichever transparent and democratic method they choose and further notes and endorses recommendation 8 in the First Report from the Liaison Committee of this Session, HC 272, and directs that where the attendance of any member of a select committee in any Session is below 60 per cent. of the Committee's formal meetings, at the end of that Session the Speaker may invite the Chairman of the Committee of Selection to propose to the House that any such Member should be discharged and that an election to fill that vacancy should be held within two weeks of the beginning of the next Session.

BACKBENCH BUSINESS COMMITTEE

Motion made, and Question proposed,

That this House approves recommendation 17 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and looks forward to the House being offered the opportunity within 10 sitting weeks of the beginning of the next session of Parliament to establish a backbench business committee and a new category of backbench business, in the light of further consideration by the Procedure Committee.—*(Ms Harman.)*

Amendment proposed to motion 7: (b), leave out from 'opportunity' to end and add

'in the light of further consideration by the Procedure Committee, to establish in time for the beginning of the next Parliament a Backbench Business Committee and a new category of backbench business, comprising initially the 15 days allotted to set piece debates; and subsequently days allocated for general debates.—*(Sir George Young.)*

Question put, That the amendment be made.

The House divided: Ayes 106, Noes 221.

Division No. 99] **[4.13 pm**

AYES

Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Barker, Gregory
Baron, Mr. John
Barron, rh Mr. Kevin
Beckett, rh Margaret
Bellingham, Mr. Henry
Benyon, Mr. Richard
Blackman-Woods, Dr. Roberta
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Browning, Angela
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Byrne, rh Mr. Liam
Clappison, Mr. James
Clark, Greg
Clark, Paul
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Curry, rh Mr. David
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Engel, Natascha
Fabricant, Michael
Fitzpatrick, Jim
Garnier, Mr. Edward
Goodwill, Mr. Robert
Gove, Michael
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Stephen
Harman, rh Ms Harriet
Harper, Mr. Mark
Hillier, Meg
Hogg, rh Mr. Douglas
Horam, Mr. John
Howarth, Mr. Gerald
Howell, John
Jones, Helen
Keeley, Barbara
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McIntosh, Miss Anne
McKechin, Ann
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Mole, Chris
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Penrose, John
Pound, Stephen
Randall, Mr. John
Robathan, Mr. Andrew
Rosindell, Andrew
Scott, Mr. Lee
Shaw, Jonathan
Smith, rh Angela E. *(Basildon)*
Soames, Mr. Nicholas
Steen, Mr. Anthony
Swayne, Mr. Desmond
Swire, Mr. Hugo
Timms, rh Mr. Stephen
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Watkinson, Angela
Wiggin, Bill
Wills, rh Mr. Michael
Wilson, Phil
Woolas, Mr. Phil
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. Simon Burns and
Mr. Rob Wilson

NOES

Abbott, Ms Diane
Alexander, Danny
Atkins, Charlotte
Bacon, Mr. Richard
Bailey, Mr. Adrian
Bain, Mr. William
Baker, Norman
Baldry, Tony
Balls, rh Ed
Barlow, Ms Celia
Barrett, John
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blunkett, rh Mr. David
Bone, Mr. Peter
Bradshaw, rh Mr. Ben
Brady, Mr. Graham
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Burden, Richard
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Cawsey, Mr. Ian
Chapman, Ben
Chope, Mr. Christopher
Clark, Ms Katy
Clarke, rh Mr. Charles
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Davey, Mr. Edward
Davies, Mr. Dai
Davies, Philip
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Drew, Mr. David
Efford, Clive
Ellman, Mrs. Louise
Evans, Mr. Nigel
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Flint, rh Caroline
Foster, Mr. Don
Francis, Dr. Hywel
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Goodman, Helen
Grogan, Mr. John
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hillier, Meg
Hoey, Kate
Hollobone, Mr. Philip
Holmes, Paul
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Hughes, Simon
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Glenda
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Jones, Lynne
Jones, Mr. Martyn
Keen, Alan
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Knight, rh Jim
Kramer, Susan
Ladyman, Dr. Stephen
Lamb, Norman
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Leigh, Mr. Edward
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Mason, John
McDonnell, John
McFall, rh John
McIsaac, Shona
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Mitchell, Mr. Austin
Moffatt, Laura
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Naysmith, Dr. Doug
Oaten, Mr. Mark
Öpik, Lembit
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Pritchard, Mark
Pugh, Dr. John
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robertson, Angus
Rogerson, Dan
Rowen, Paul
Russell, Bob
Salter, Martin
Sanders, Mr. Adrian
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Short, rh Clare
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Sir Robert
Snelgrove, Anne
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Twigg, Derek
Walker, Mr. Charles
Walley, Joan
Walter, Mr. Robert
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Hywel
Williams, Mark
Willis, Mr. Phil
Willott, Jenny
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Mr. Graham Allen and Sir Peter Soulsby

Question accordingly negatived.

Amendments made to motion 7: (c), leave out from 'opportunity' to end and add

'to establish, in time for the start of the next Parliament, a backbench business committee constituted in accordance with the principles set out in recommendation 18 of the Committee's Report, to schedule non-ministerial business as described in recommendations 22 (select committees), 23 and 28 (backbench substantive motions), 30 (protected time for backbench business) and 39 (Estimates days) of the Committee's Report.'.

Amendment (a), at end add

'and approves the establishment during the course of the next Parliament of a House Business Committee comprising the backbench business committee and representatives of Government and Opposition which, while guaranteeing that the Government has the time and first choice of dates to get its legislative programme through, and to make whatever statements it wishes, would improve scheduling of business to ensure more effective scrutiny of legislation at Report Stage and consideration of Lords Amendments.'.

Amendment (d), at end add

'and also looks forward to the following recommendations of the Committee being given further consideration in the next Parliament:

(a) 19 and 20 (Ministerial business);

(b) 21 (Opposition business);

(c) 26 (notice and flexibility);

(d) 27 (timetabling);

(e) 32 (sessions and carry-over);

(f) 35 (Ministerial statements);

(g) 36 (general committees);

(h) 37 (public bill committees); and

(i) 40 (Private Members' bills).'.—*(Dr. Tony Wright.)*

Main Question, as amended, put and agreed to.

Resolved,

That this House approves recommendation 17 of the First Report of the Select Committee on Reform of the House of Commons, Session 2008–09, HC 1117, and looks forward to the House being offered the opportunity to establish, in time for the start of the next Parliament, a backbench business committee, constituted in accordance with the principles set out in recommendation 18 of the Committee's Report, to schedule non-ministerial business as described in recommendations 22 (select committees), 23 and 28 (backbench substantive motions), 30 (protected time for backbench business) and 39 (Estimates days) of the Committee's Report, and approves the establishment during the course of the next Parliament of a House Business Committee comprising the backbench business committee and representatives of Government and Opposition which, while guaranteeing that the Government has the time and first choice of dates to get its legislative programme through, and to make whatever statements it wishes, would improve scheduling of business to ensure more effective scrutiny of legislation at Report Stage and consideration of Lords Amendments, and also looks forward to the following recommendations of the Committee being given further consideration in the next Parliament:

(a) 19 and 20 (Ministerial business);

(b) 21 (Opposition business);

(c) 26 (notice and flexibility);

(d) 27 (timetabling);

(e) 32 (sessions and carry-over);

(f) 35 (Ministerial statements);

(g) 36 (general committees);

(h) 37 (public bill committees); and

(i) 40 (Private Members' bills).

ELECTION OF THE DEPUTY SPEAKERS

Resolved,

That the following Standing Order be made, with effect from the beginning of the next Parliament:—

(1) At the commencement of every Parliament, or from time to time, as necessity may arise, the Speaker shall notify the House of the arrangements to be made to elect a Chairman of Ways and Means and two Deputy Chairmen of Ways and Means, who shall be known respectively as the First and the Second Deputy Chairman of Ways and Means.

(2) The election shall be by secret ballot.

(3) Preparatory arrangements for a ballot shall be made under the supervision of the Clerk of the House.

(4)(a) Nominations of candidates shall be in writing and shall be received by the Clerk of the House between 10.00 am and 5.00 pm on the day before the House is to elect the Deputy Speakers.

(b) Each nomination shall consist of a brief signed statement made by the candidate declaring his willingness to stand for election accompanied by the signatures of not fewer than six nor more than 10 Members. No Member shall sign more than three such statements and if any Member does so, his signature shall no longer be valid.

(c) As soon as practicable following the close of nominations, lists of the candidates and their sponsors and the statements shall be placed in the Members' lobby and published.

(5)(a) A ballot shall take place between eleven o'clock and twelve o'clock in a place appointed by the Speaker.

(b) Each Member intending to vote shall be provided with a ballot paper bearing the namesof the candidates listed in alphabetical order.

(c) Each such Member may vote for as many or as few candidates on the ballot paper as he wishes, marking them in order of preference.

(d) Counting shall take place under arrangements made by the Clerk of the House.

(e) The ballot shall be counted under the Single Transferable Vote System with constraints that of those elected:

(i) two candidates shall come from the opposite side of the House to that from which the Speaker was drawn, the first of which candidates will be Chairman of Ways and Means and the second, Second Deputy Chairman of Ways and Means,

(ii) one candidate shall come from the same side of the House as that from which the Speaker was drawn and shall be First Deputy Chairman of Ways and Means, and

(iii) at least one man and at least one woman shall be elected across the four posts of Speaker and Deputy Speakers.

(f) The Speaker shall have discretion to vary the timings given in this order and power to give final directions on any matter of doubt arising from the conduct of a ballot or from an individual ballot paper.

(6) As soon as practicable after the votes have been counted the Speaker shall announce to the House the results of the ballot and direct the Clerk to enter the names of the elected Members in the Journal.

(7) Where a ballot is needed to elect to a single post of Deputy Speaker as a result of a change in the Speaker, the election shall be held with candidates from only the relevant side of the House.

(8) Each Deputy Speaker elected under this order is so elected to serve until the end of the Parliament.

(9) The Deputy Chairmen shall be entitled to exercise all the powers vested in the Chairman of Ways and Means, including his powers as Deputy Speaker.—*(Ms Harman.)*

Crown Estate (Proposed Sale of Homes)

Motion made, and Question proposed, That this House do now adjourn.—*(Lyn Brown.)*

Mr. Speaker: Just before I ask the right hon. Member for Holborn and St. Pancras (Frank Dobson) to make his speech, may I appeal to right hon. and hon. Members leaving the Chamber please to do so quickly and quietly, without conducting animated or noisy conversations in the interim? That would be helpful—*[Laughter.]*—although there is no prohibition on laughing.

4.27 pm

Frank Dobson (Holborn and St. Pancras) (Lab): Among the people I represent are residents of 539 flats on the Cumberland Market estate that are owned by the Crown Estate. Like their fellow Crown Estate residents in Victoria Park in Hackney and Tower Hamlets, Millbank in Westminster, and Lee Green in Lewisham, they were told, out of the blue, that their homes were to be sold. That has caused consternation among the residents, who range from elderly people such as Bill and Mary Greenleaf, who have lived all their lives at Cumberland Market, to young key workers who have recently got a flat.

All four estates are settled communities. Some people live in blocks of flats, others in street properties. Their homes are well managed, giving rise to far fewer complaints to local councillors and MPs than council or registered social landlord properties. The form of tenure ranges from leaseholders through regulated and assured tenancies to assured shorthold tenancies. All are let at affordable rents.

Documents were released under the Freedom of Information Act 2000, but they contained massive redactions, and when I say massive, I really mean massive. They nevertheless revealed that the Crown Estate had been considering the proposal to sell off its affordable housing for well over a year. They also showed that the Crown Estate board might have been misled into adopting that policy. The minutes show that the board was given to understand that a mixture of flats and street properties was

"not typical of affordable housing stock in the capital".

In fact, the reverse is true. Such a mixture is entirely typical of the affordable housing stock in London.

The board was also told that the Crown Estate's affordable housing portfolio was short of a critical mass compared with registered social landlords, who might have 50,000 flats. In fact, with 1,500 units, the Crown Estate is bigger than the vast majority of registered social landlords. It was told that the stock was not purpose built, but I am entirely at a loss to understand what the purpose of a flat or house is, other than to house someone. The board was told that managing affordable housing was not one of the Crown Estate's core skills, even though it has been doing it rather well for 80 years, and is branching out into novel, non-residential investments that have got into trouble.

In relation to consultation, the board was told that the tenants were being treated like other public sector stock transfers, but such stock transfers require a ballot of those affected, and the existing landlord needs to accept the outcome of the ballot. It was told that a two-month consultation period with the tenants was satisfactory, but it was never told that the Government's recommended minimum for such a consultation was three months.

In addition, the documents did not refer to the future of the current arrangement whereby key workers are nominated to fill flats that become vacant. Nor was the board advised of the impact of ending the arrangement on the key workers themselves or on the recruitment and retention prospects for the bodies that nominate their key workers for such lettings. Nor did the documents explain to the board that the nominating bodies included eight hospitals—Bart's, the Chelsea and Westminster, Homerton, King's College, the Royal Free, St. Mary's, Great Ormond Street, and University College hospital. They did not mention that the nominating bodies also included the London Ambulance Service, 10 NHS primary, community and mental health trusts, the London fire brigade, London Underground, Transport for London, the Metropolitan police and the education departments in Camden, Westminster, Hackney and Tower Hamlets, as well as the House of Commons.

The documents did not make it clear to the board that, when the tenants were to be consulted about their homes being sold to the new landlord, they were not going to be told who the new landlord would be. If I were a member of the Crown Estate commission's board, I would be most unhappy that all these aspects had not been drawn to my attention before I was asked to arrive at the decision to sell off the affordable housing.

Yesterday, the chief executive of the Crown Estate gave evidence to the Sub-Committee of the Treasury Select Committee. When asked about the tenants' response, he conceded that there had been

"a good deal of concern"

about the proposed sell-off. He is clearly a master of understatement. On behalf of myself and my party colleagues, my hon. Friends the Members for Hackney, South and Shoreditch (Meg Hillier) and for Lewisham, East (Bridget Prentice), my parliamentary colleague, the hon. Member for Bethnal Green and Bow (Mr. Galloway), and the hon. Member for Cities of London and Westminster (Mr. Field), who is in the Chamber, I can confirm that the overwhelming majority of the tenants wish to remain with the Crown Estate. That is the heart of the matter. Those residents do not want to be sold off like chattels, or treated like the contents of the place where they live, and no foreshortened, inadequate process of so-called consultation is likely to change their minds.

For a start, the consultation period is too short, but it is much worse than that. The Court of Appeal has laid down that when public bodies are consulting, they must ensure that

"those consulted must be provided with information which is accurate and sufficient to enable them to make a meaningful response".

The Crown Estate will not or cannot disclose who the new landlord will be, so I submit that the information is very clearly "not sufficient". The Crown Estate asserts that the tenants will be protected if they are transferred, but provides no information whatever to back up that assertion.

Let me give the Minister some examples of the problems that have not been cleared up through the consultation process. Some rights of leaseholders and tenants are

statutory and should carry over, but in my experience, there is a world of difference between a landlord such as the Crown Estate, which is happy to comply with the law, and a landlord who is reluctant to comply with it—and the tenants certainly know the difference.

In any case, some of the terms and conditions currently enjoyed by tenants of the Crown Estate are the product of clear improvements on the statutory minimum. For instance, assured tenants under the Crown Estate are protected by a ceiling on rents of between 40 and 60 per cent. of the market rent. No explanation has been forthcoming from the Crown Estate as to how this concession would be legally enforceable against a new landlord. It could not be left to their good will. Under the Crown Estate, assured shorthold tenants are told that their short tenancy will always be renewed, provided they are not in breach of their other tenancy conditions. By what mechanism could this become a legally enforceable right against a new landlord? Answer comes there none—no answer to these questions and no assurance about other guarantees sought by tenants on such matters as internal transfers and joint tenancies.

When talking about future landlords, the Crown Estate says it wants to involve a private landlord in collaboration with a registered social landlord. It talks of wanting to continue the same "tone of management" with "focused housing providers", but neither tone nor focused housing providers are matters enforceable in law. If all the terms and conditions that the tenants currently enjoy were to be carried on by the new landlord, what would be in it for a private, profit-seeking landlord? The answer seems to be the potential value of any flats that fall vacant, as these could raise a lot of money if let at market rents or sold to the highest bidder. That could happen only if the present arrangement to let vacant flats to key workers is abandoned.

None of the hospitals or other bodies that currently nominate key workers has been consulted by the Crown Estate. In his evidence to the Treasury Sub-Committee yesterday, the chief executive said that those bodies had been informed, but I can assume that this was only very recently, because when I checked with some of them last week, I found that they had got to know about it through newspapers, radio and television or as a result of my telephone call.

Until this consultation exercise started, it is fair to say that most Crown Estate tenants were reasonably satisfied that the Crown Estate usually acted in good faith. However, doubts have now arisen because the Crown Estate has stopped re-letting flats that fall vacant. Tenants fear that this is because vacant flats would fetch a higher price in the transaction than flats with sitting tenants. Yesterday, the chief executive told the Sub-Committee that 32 flats were empty at present, but the tenants believe that many more than that total are already vacant.

A further concern is that the existing terms and conditions which the Crown Estate assert would prevail under a new landlord are set out in the tenancy handbook, but the Crown Estate has just withdrawn the tenancy handbook, which has raised suspicions about its commitment to protecting the provisions set out in that self-same handbook.

A further source of concern is the reports that the tenants have received from former tenants of Church Commissioners' affordable housing in south London. Those former tenants of the Church Commissioners say that similar promises to those being made by the Crown Estate were made to them before their homes were sold off, but after the sale their rents rose and empty properties were disposed of. They note that that transaction on behalf of the Church Commissioners was managed by a Mr. Paul Clark, who is now pushing the Crown Estate's sell-off proposal as the Crown Estate's director of investment and asset management.

In the face of that threat to their homes, the residents associations from the four estates have got together. Though with minimal resources at their disposal, they have mounted a very effective campaign to draw attention to the threat to their quiet enjoyment of their homes. They have organised meetings and rallies, briefed the news media, and submitted evidence to the Treasury Sub-Committee. They have involved local councillors and Members of Parliament—my hon. Friends the Members for Hackney, South and Shoreditch and for Lewisham, East and I have also submitted evidence on their behalf to the Sub-Committee.

We now call for the Crown Estate to conduct a ballot of the residents of its affordable housing, and to abide by the result of that ballot. We also call for it to provide free, independent legal advice to the four residents associations and individual tenants. The Crown Estate still refuses to disclose the identity of the landlords to whom it proposes to sell. It is also withholding other information that tenants require to make a "meaningful response", as the Court of Appeal put it.

At yesterday's Sub-Committee meeting, the Minister who will reply to this short debate expressed her concern about the treatment of the tenants, and said that she would put it to the Crown Estate that it should conduct a ballot. I therefore hope that she will confirm that she will meet representatives of the Crown Estate, and that she will take that opportunity to ask them to conduct a ballot. If it does so, we should assume that it will be expected to abide by the result. The residents associations would welcome the opportunity to meet the Minister to brief her on their concerns before she meets the Crown Estate. I and other MPs would be happy to facilitate such a meeting if she agrees. The Minister has the power to issue directives to the Crown Estate, but that should not be necessary if it responds responsibly to her request.

All that the tenants ask is that the Crown Estate lives up to its avowed objectives, set out in its latest annual report. It says in that report that it is working towards thriving and sustainable communities and to ensuring that its business activities have a positive economic, social and environmental impact on the wider community. It has been doing that for years at Cumberland Market, Victoria Park, Lee Green and Millbank. To achieve its objectives, we all believe that it should leave well alone.

4.43 pm

Mr. Mark Field (Cities of London and Westminster) (Con): I congratulate the right hon. Member for Holborn and St. Pancras (Frank Dobson) on securing this important debate. I associate myself entirely with his words. As he will know, we have tried to work together, along with the hon. Member for Hackney, South and Shoreditch (Meg Hillier). Underlying much of what the right hon. Gentleman said is the fact that the Crown Estate has

[Mr. Mark Field]

traditionally been a very good landlord. The communities that it has built have been more stable than many of those we represent in central London, where the turnover is 20 to 25 per cent. annually. Nothing could be further from the truth in Millbank estate, where a number of people have lived for the entirety of their lives, some 50 or 60 years, and where communities go through the generations.

The Crown Estate has been a force for stability and continuity in our central London constituencies, so it is disappointing that we have come to this pass. I cannot help thinking that it was the travails of that organisation over the past 18 months that persuaded it to look on the estates as something of a jewel in the crown for the purposes of a quick sale. We hope that goodsense will prevail and that it will be persuaded that a sale is not yet necessary—either by a general bounce back in the property market or in its other investments, or by a recognition that it would be better for these communities to remain intact and continue to provide the rental incomes to which it has become accustomed.

I cannot stress too strongly the sense of community that exists in Millbank, which I am sure is also reflected in these estates in other constituencies. There is a tremendous community there. The 640 or so Members of Parliament who do not represent constituencies in central London may have the impression that London has a transitory community, but in many ways nothing could be further from the truth. We all represent a collection of villages with a proud sense of history, and over the past 20 or 30 years residents' associations and amenity societies have done a huge amount to instil a sense not just of history but of ongoing community.

I hope that the Minister will give credence to what has been said today. I work closely with local councillors in the Tachbrook and Vincent Square wards, where the Millbank estate is located, but I also do cross-party work, which I think is particularly necessary. The hon. Member for Hackney, South and Shoreditch played a major role in ensuring that we kept Bart's hospital and in securing the important investment in Bart's and the London NHS Trust, which is covered by Hackney, the City of London and the eastern areas of the Westminster part of my constituency. These issues should extend beyond any sense of partisan politics, and I hope that we will continue to work together and put the interests of our residents first and foremost.

It should be emphasised that key workers are not necessarily only in the public sector, especially in central London. Although a number of key workers in the Millbank estate work in local hospitals and schools and in public sector jobs here in the House of Commons, some of the people who are the glue in our communities work in newsagents' shops and other relatively low-paid retail jobs but are nevertheless committed to living and working in central London. Without the properties in the Crown Estate and other estates in our constituencies, we will lose that vital social glue.

I shall not detain the House any further, Mr. Deputy Speaker. Thank you for allowing me to make a brief contribution. I look forward to hearing the Minister's reply.

4.48 pm

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): I congratulate my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) on securing this opportunity to debate a matter that is of great interest to some of his constituents. I understand that he has represented Holborn and St. Pancras for more than 30 years, and is an assiduous constituency Member. I recognise the worry and concern felt not just by his constituents but by others, as evidenced by the contribution from the hon. Member for Cities of London and Westminster (Mr. Field) and the presence of my hon. Friend the Member for Hackney, South and Shoreditch (Meg Hillier). I hope that the further details that I shall give will go some way towards reassuring my right hon. Friend, the other Members who are present and the House as a whole, and, most important, the tenants of the Crown Estate.

The Crown Estate is charged with managing the property assets owned by the sovereign, whose revenue is automatically paid to the Government. Its remit is to maintain and enhance the value of the estate and the return obtained on it, but with due regard to the requirements of good management. It is charged by law to generate a commercial return from the assets that it manages, and as such it keeps its asset portfolio under review so that it can decide how to improve its return. It is currently considering the sale of 1,200 residential units, about 500 of which are in the constituency of my right hon. Friend the Member for Holborn and St. Pancras. To that effect, it is conducting a consultation exercise, asking its residents for their views about a possible sale of the freehold on which their properties are situated. I want to emphasise that no decision on whether to make a sale has taken place yet, and the Crown Estate will make a decision only once residents' views are known and fully considered.

I completely understand the concerns of my right hon. Friend and his constituents on this issue. Any possibility of change in ownership is, of course, worrying for residents. The Crown Estate is considering the sale because it believes it is likely that a specialist expert residential landlord could provide a better service. It is also clear that the capital receipts it would generate from the sale could be used profitably in other parts of its business, and it may help the House if I explain this.

The Crown Estate is prevented in law from borrowing as most private sector property companies can and do. It must generate capital for its investment and development activity from disposals of its own assets, essentially by reordering priorities. If it goes ahead, the sale of its London residential property would be one such disposal. In effect, the Crown Estate would redeploy the proceeds within the business. I want to lay to rest a couple of rumours that are floating around. The Treasury has not ordered the Crown Estate to sell off vast chunks of its portfolio to raise money for the Exchequer, and neither does the Crown Estate need to sell this part of its estate urgently because it is in desperate financial straits.

I understand, of course, that the main worry for residents is what the outcome of a possible sale may be on their tenancies, and that was the main thrust of my right hon. Friend's remarks. Therefore, in order to offer reassurance I should explain the protections that the Government have been told would be in place if the Crown Estate decided to sell. The first of them is to do

with rents. My right hon. Friend set out some tenants' fears about rents and other terms, and he is especially troubled about the position of those 35 per cent. who have regulated tenancies. I hope I can alleviate some fears by telling Members that the rent officer determines their rents, and that will not change. Some tenants also benefit from a ceiling rent—the 40 to 60 per cent. referred to in my right hon. Friend's speech. These rents cannot rise above a certain percentage of the market rent, and that will not change either. That is protected by law.

It is likely that some of these residents, if not most, will be key workers, and this means that the rental framework that the Crown Estate's tenants enjoy would not change if there were a sale. Rents might, of course, change, but within the same rules that the Crown Estate operates under now. Tenants' other contractual rights would also be protected in the event of a sale. The process is not quite the same as a block transfer of housing assets by a local authority, although there are some similarities. One important right is that, as a matter of law, any new owner would have to honour existing tenancies. Another protection is that if there are enough regulated tenants who are leaseholders with long tenancies in a particular building, and they want to buy it for themselves, the Crown Estate will give them right of first refusal.

Naturally, I was disappointed to hear from my right hon. Friend that some of his constituents thought that the Crown Estate was behaving in a secretive or high-handed way. I hope that residents will express their views through the various avenues that are available. The consultation process remains open, and I understand that the Crown Estate has also provided drop-in centres so that tenants can talk over their personal positions, any aspect of the proposed sale that troubles them, or the proposal at large. Also, the chairman and chief executive of the Crown Estate plan to meet the residents' associations during the consultation process so that they can hear tenants' views at first hand.

As for the view that the Crown Estate has been secretive, I hope and believe that this might be a result of circumstance, rather than an attempt to hide from people what is going on. The Crown Estate needs to protect the commercial positions of possible purchasers, and talks with possible new owners will continue well into March. The Crown Estate will then produce a "findings" document—a summary of the responses to the consultation—which will be circulated to residents within two weeks of the end of the consultation period on 23 March. After this, the Crown Estate will consider the outcome of the consultation and the marketing exercise before making a final decision.

With the uncertainty that this period brings, I know that people will be worried, but the outcome has not been decided. The Crown Estate will decide from the content of the feedback that comes through during the consultation process. It will need to be collated, evaluated, followed up where necessary, and presented to the Crown Estate board. At the same time, the Crown Estate will need to weigh the strength of interest from marketing to potential purchasers, and how the possible new owners' proposals stack up. It has set out its requirement that it will consider a sale only to a specialist in the residential housing field. It also recognises its obligation as a good landlord to look after its tenants' interests in selecting a new owner, if indeed there is one.

I can assure the House that no decision will be made in haste; it could take several months before it is clear what will happen, and during that time the tenants will have plenty of opportunity to have their say. The Crown Estate has advised that it will keep tenants informed as the process moves forward. As the consultation process draws to a close, I plan to meet the Crown Estate commissioners to hear their conclusions on the consultation process and to find out what interest the marketing process has thrown up. I will want to assure myself that the action planned by the commissioners is in line with their statutory duties and takes full account of the wider public interest. I of course intend to raise the issue of tenants ballots at that meeting, and before that I will be more than happy to meet my right hon. Friend with some of his constituents to hear their concerns.

The Crown Estate has a very strong sense of its responsibilities as steward of public resources. It manages its property assets as a trust and is conscious of who owns the assets it manages and who receives the income. I hope that I can reassure my right hon. Friend that the question of selling this part of its asset portfolio arises out of a strategic stock take and, as I have said, for no other reason.

My right hon. Friend secured today's debate to address the concerns of some of his constituents, and I am glad that we have been able to have it. I hope that I have been able to go some way to give assurances and, as ever, I would encourage his constituents and those of other Members to play a full part in the consultation exercise, so that their concerns can be fully taken into account.

Question put and agreed to.

4.57 pm

House adjourned.

Deferred Divisions

SOCIAL SECURITY

That the draft Social Security Benefits Up-rating Order 2010, which was laid before this House on 27 January, be approved.

The House divided: Ayes 404, Noes 53.

Division No. 95]

AYES

Abbott, Ms Diane
Afriyie, Adam
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Alexander, rh Mr. Douglas
Amess, Mr. David
Anderson, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Benn, rh Hilary
Benton, Mr. Joe
Benyon, Mr. Richard
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bradshaw, rh Mr. Ben
Brady, Mr. Graham
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Butterfill, Sir John
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cormack, Sir Patrick
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Philip
Davis, rh David
Dean, Mrs. Janet
Denham, rh Mr. John
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Doran, Mr. Frank
Dorries, Nadine
Dowd, Jim
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Etherington, Bill
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Field, rh Mr. Frank
Field, Mr. Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gapes, Mike
Garnier, Mr. Edward
Gauke, Mr. David
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Herbert, Nick
Hill, rh Keith
Hoban, Mr. Mark
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hopkins, Kelvin
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Jack, rh Mr. Michael
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Joyce, Mr. Eric
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Knight, rh Jim
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Lidington, Mr. David
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Main, Anne
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McLoughlin, rh Mr. Patrick
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Moss, Mr. Malcolm
Mullin, Mr. Chris

Munn, Meg
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Mr. George
Osborne, Sandra
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prisk, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Purchase, Mr. Ken
Randall, Mr. John
Raynsford, rh Mr. Nick
Redwood, rh Mr. John
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Rifkind, rh Sir Malcolm
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Ruffley, Mr. David
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simmonds, Mark
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Chloe
Smith, Geraldine
Smith, rh Jacqui
Soulsby, Sir Peter
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tami, Mark
Tapsell, Sir Peter
Taylor, Dr. Richard
Thornberry, Emily
Timms, rh Mr. Stephen
Timpson, Mr. Edward
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Waltho, Lynda
Ward, Claire
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, rh Malcolm
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wilson, Phil
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Wishart, Pete
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

NOES

Baker, Norman
Barrett, John
Beith, rh Sir Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Corbyn, Jeremy
Drew, Mr. David
Durkan, Mark
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Heath, Mr. David
Hemming, John
Holmes, Paul
Howarth, David
Huhne, Chris
Hunter, Mark
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Pelling, Mr. Andrew
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Rogerson, Dan
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Teather, Sarah
Walter, Mr. Robert
Webb, Steve
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Winterton, Ann

Question accordingly agreed to.

LICENCES AND LICENSING

That the draft Licensing Act 2003 (Mandatory Licensing Conditions) Order 2010, which was laid before this House on 27 January, be approved.

The House divided: Ayes 245, Noes 162.

Division No. 96]

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John

Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gerrard, Mr. Neil
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Grayling, Chris
Griffith, Nia
Griffiths, Nigel
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hill, rh Keith
Hodgson, Mrs. Sharon
Hopkins, Kelvin
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Moffatt, Laura
Mole, Chris
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Ptaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Dr. Richard
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Laws, Mr. David
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne

McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Question accordingly agreed to.

House of Commons

Friday 5 March 2010

The House met at half-past Nine o'clock

PRAYERS

The Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

Question negatived.

Grocery Market Ombudsman Bill

Second Reading

9.35 am

Albert Owen (Ynys Môn) (Lab): I beg to move, That the Bill be now read a Second time.

I am delighted to move the Second Reading of this Bill, the principle of which has gathered support from those in all parts of the House since it was introduced in December. It is appropriate that I put on the record my sincere thanks to the Grocery Market Action Group, which consists of a powerful alliance of organisations, including the Association of Convenience Stores, the Rural Shops Alliance, the Independent Fruit Growers Association, the British Brands Group, the National Farmers Union, ActionAid UK, Traidcraft and Banana Link. Many of those organisations have lobbied Members to attend today's debate, and they are very supportive of Members' support for the Bill.

The action group is ably chaired by the hon. Member for St. Ives (Andrew George), and I pay tribute to him for his long-standing campaign to address the imbalance in the grocery market. The group has played a constructive role since it was set up in 2006, when the Competition Commission began its latest inquiry into the retail sector. I thank also the Farmers Union of Wales and, particularly, my local Ynys Môn branch, which has lobbied me for a long time—since I was first elected in 2001, in fact. It has argued in a forthright and coherent manner for a grocery code of practice and an ombudsman to implement the code effectively, and I have led a number of union delegations to meet Ministers in the House, including the Minister with responsibility for food, farming and the environment, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), who was very receptive to the idea of an ombudsman. I also acknowledge the farmers unions' dairy industry campaigns to secure a fair price for producers, given what they consider to be market failings. I agree with them and hope that in some way the Bill will address that imbalance, too.

I want to make it clear that I am not anti-supermarket, nor indeed are the terms of the Bill. In fact, I am pro-supermarket. I am also pro-small shops, pro-small convenience shops, pro-local suppliers and, above all, pro-consumer. The supermarkets are the major retailers, and they are important contributors to the local economies of all our constituencies and, indeed, the country's wealth.

David Cairns (Inverclyde) (Lab): I congratulate my hon. Friend on bringing forward his Bill. Will it address the non-grocery products that supermarkets sell? I am thinking, for example, of petrol, whereby the local pricing policy of large grocery retailers leads to a great distortion. In Inverclyde, which has some prosperous areas but also a lot of deprivation, the petrol prices that grocery retailers set are higher than those in many much more prosperous areas of Scotland. I am grateful to a constituent of mine, John MacNeil, who has driven all around Scotland pricing petrol. Will my hon. Friend's Bill address the supermarkets' local pricing policy on that product?

Albert Owen: My hon. Friend makes an important point, and, indeed, I attended a debate about petrol prices in Westminster Hall. It is a big issue, and there are market failings in that area, too. In order to move forward, we need the Office of Fair Trading to undertake an inquiry into petrol pricing. The OFT and the Competition Commission could recommend to the Government a policy on those imbalances, which my hon. Friend has described. They are evident in all our constituencies, and I represent a periphery area, where we face exactly the same problems. Not only are some of the large retailers and supermarkets varying their petrol prices; they are having a huge impact on independent suppliers, many of which have had to close down.

John Penrose (Weston-super-Mare) (Con): I apologise for butting in on the hon. Gentleman so early in his speech, but I want to back up the point that he was making in response to that last intervention. Does he agree that it would be inappropriate to use an ombudsman to stick up for the oil companies, many of which are larger than the supermarkets concerned? There might be an issue of the kind that has just been discussed, but an ombudsman would be the wrong way to deal with it.

Albert Owen: I agree. We are talking about not only the retailers of petrol but the distributors and oil companies. Although we need a fresh independent inquiry into the pricing mechanism, I do not think that this Bill—or, indeed, an ombudsman—is the way forward for that.

Mr. Christopher Chope (Christchurch) (Con): Does the hon. Gentleman accept that there have been many inquiries which have always come down in favour of saying that an active market is operating and that there are additional costs in rural areas that have to be borne by somebody? However, how is petrol retailing associated with groceries? As I understand it, those are what this Bill is about.

Albert Owen: I do not think that the hon. Gentleman was listening to what I said. What he has mentioned is not in the Bill. An important point was raised about the variations in petrol prices across the United Kingdom, and he says that many inquiries have favoured the retailers and the oil companies on the issue. Indeed, in the past there have been many inquiries about the issues raised by my Bill. However, the most recent one came to the conclusion that there were market failings. That is why there is a new code and why we need a new ombudsman. We need an up-to-date inquiry by the Office of Fair Trading into petrol prices.

Mr. Andrew Dismore (Hendon) (Lab): Perhaps I can raise a different point and get my hon. Friend off the petrol issue. I am here to support his Bill, but one of the issues in relation to supermarkets is suppliers from the developing world. Bearing in mind that we are in Fairtrade fortnight, does my hon. Friend consider that his Bill does anything to support developing-world suppliers, which often get a raw deal from supermarkets?

Albert Owen: Yes, indirectly. This is about choice. We are all lobbying and campaigning for greater choice and greater brands, and Fairtrade is an important source of those. The Bill will help. Many of the organisations that lobbied hard for it welcome that, because they believe that it will do something to help them in future.

Philip Davies (Shipley) (Con): Earlier, the hon. Gentleman said that he was pro-consumer and that he saw an imbalance between the power of the supermarkets and that of the suppliers. Presumably, therefore, he wants the appointment of the ombudsman to result in higher payments from supermarkets to suppliers. That would inevitably lead to higher prices for customers. Given that he is so in favour of consumers, will he tell us by how much he expects prices to go up and the kind of rise that he thinks would be acceptable?

Albert Owen: I thank the hon. Gentleman for that intervention. What is involved is not what I say as I develop my argument, but what the Competition Commission says independently.

Philip Davies: No, it's what you're saying.

Albert Owen: I have not even developed the argument, so I could not have said that. What I am saying is that I am pro-supermarket, pro-supplier and pro-consumer. If the hon. Gentleman wants to argue against that, that is up to him, but it is on the basis of that standpoint that I bring the Bill to the House—to make sure that the code is properly applied and adhered to.

Andrew George (St. Ives) (LD): I congratulate the hon. Gentleman on the Bill. May I clarify something? On the requirement for a supermarket ombudsman, the Competition Commission found not, as the hon. Member for Shipley (Philip Davies) suggested, that the mechanism involved should be price sensitive and price setting, but simply that it should oversee the necessity for fair dealing. The issue should not be and is not about price setting.

Albert Owen: The hon. Gentleman is absolutely right. We are talking about fairness. The Competition Commission identified that there was an imbalance and that there were market failings and unfairnesses. The Bill would rectify that. The code has been in place since 4 February; what we are looking for is a referee to oversee it. It is as simple as that.

Mark Williams (Ceredigion) (LD): I congratulate the hon. Gentleman on bringing forward the cause. He will be aware of polling evidence that consumers are very much in favour of the creation of an ombudsman; a YouGov poll identified that eight out of 10 consumers were. Does the Bill not also represent a huge opportunity for supermarkets to present themselves in a positive light?

Albert Owen: I agree, and I thank the hon. Gentleman for all the support that he has given me and for his work with the National Farmers Union and the Grocery Market Action Group to establish the code and make sure that we have the inquiry. I will develop my argument and deal with the issue in greater detail.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I am sure that the hon. Gentleman will agree with me on a point that he might develop later. The issue is not all about prices; it is about terms of trade as well. I recently discovered a supermarket that tried to increase its credit terms to 90 days. That is an impossible situation for a small supplier, so the matter is about more than price—it is about terms of trade as well.

Albert Owen: It is, and that comes under the umbrella of fairness. As my hon. Friend the Member for Hendon (Mr. Dismore) said, the issue is about fair trade, including Fairtrade suppliers. The whole ambit is covered by what the code will produce, but the Bill is specifically about the ombudsman.

Before I took those interventions, I was praising the supermarkets for their importance in the local and national economy. In the United Kingdom, the food retail sector represents about £110.4 billion. The supermarkets are at the end of the supply chain; at the other end are the producers, farmers and suppliers. I want there to be an interdependency between them all, but at this time that does not exist. That is why we need the new code and an ombudsman as a referee.

As I said, the purpose of the Bill is to institute both fairness and firmness—the fairness that the new code of practice will provide, and the firmness that a referee would bring. That is exactly what a grocery market ombudsman could do in overseeing the grocery supply code of practice, to which I shall refer as "the code" from now on.

I use the term "referee", and there is an important rugby analogy. Like rugby, the grocery market is a rough game. It needs rules and a referee to ensure that they are adhered to on all sides. That is what I argue in the Bill. I share the aim of many in the House that we need a rich diversity of suppliers, producers and brands, and small and large retailers, along with the supermarkets, to provide real choice and real value for the consumer.

The need for the code was established as a result of a full and comprehensive inquiry by the Competition Commission, at the request of the Office of Fair Trading, into the supply of groceries by retailers in the United Kingdom; I stress that the Bill covers the whole of the United Kingdom of Great Britain and Northern Ireland. The inquiry started in May 2006. After two long years, the commission reported in April 2008. Its findings made it very clear that there was an adverse effect on competition and it provided remedies to rectify those market failings.

Philip Davies: The hon. Gentleman says that the Competition Commission's report was very clear. However, does he concede that the economist Professor Bruce Lyons, one of the two Competition Commission panel members working on supplier issues, concluded that the ombudsman would be counter-productive? He opposed the setting up of an ombudsman.

Albert Owen: I am grateful to the hon. Gentleman for that intervention. I said that the report was clear; I did not say that it was unanimous. There was a lone voice, and the hon. Gentleman is desperate to jump to it. There was, however, a huge majority in favour of establishing the code and the ombudsman. I see where the hon. Gentleman is coming from, but in a democracy we have to go with the majority. I believe that he is a democrat and I am sure that when I have developed my arguments he will support the Bill because it is about firmness and fairness, and I am sure that he is a decent person who believes in both. It will be difficult for him to argue against that principle.

Paragraphs 2, 3 and 5 of the report's summary were clear that there was an adverse effect on competition. Paragraph 2 states:

"We found that, in many important respects, competition in the UK groceries industry is effective and delivers good outcomes for consumers, but not all is well."

I am sure that the hon. Member for Shipley (Philip Davies) is listening to this first part. The paragraph goes on:

"We have concerns in two principal areas. First, we found that several grocery retailers have strong positions in a number of local markets. Barriers faced by competing grocery retailers that would otherwise enter these markets mean that consumers get a poorer retail offer in terms of prices, quality and service than would otherwise be the case, while the grocery retailers with strong local market positions earn additional profits due to weak competition in those markets."

The report continued:

"Second, we found that the transfer of excessive risk and unexpected costs by grocery retailers to their suppliers through various supply chain practices if unchecked will have an adverse effect on investment and innovation in the supply chain, and ultimately on consumers."

That is why we are battling for consumers as well as for suppliers. The report says, in part 5 of its summary:

"We will be tightening the provisions of the Supermarkets Code of Practice and broadening its application such that more grocery retailers will be required to abide by its terms. We will also be seeking legally binding commitments from grocery retailers to establish an Ombudsman to oversee the revised Code. If we cannot secure suitable undertakings from these grocery retailers, we recommend that Government takes the necessary steps to facilitate the establishment of the Ombudsman."

That is a very clear conclusion by the Competition Commission on this matter.

The commission was also very fair in wanting an undertaking from the retailers to establish, during a reasonable period, the appointment of an ombudsman. However, the voluntary agreement did not deliver that conclusion, and no undertaking was reached for such an office. The commission recommended that the then Department for Business, Enterprise and Regulatory Reform should establish an ombudsman

"to give the Ombudsman the power to levy…penalties on the retailers for non-compliance."

Mr. David Drew (Stroud) (Lab/Co-op): I thank my hon. Friend for introducing this excellent Bill. Does he accept that part of the problem with trying to get a response from the supermarkets is that they are utterly divided? It is a myth to pretend that all supermarkets are opposed to an ombudsman, and that is why we need to legislate on behalf of the good.

Albert Owen: I am grateful to my hon. Friend for highlighting that point; I am sure that other hon. Members will do the same. Some supermarkets have embraced not only the code but an ombudsman, because they believe that that is in their interests as well as in the interests of suppliers and consumers. At the end of the day, we all want to reach the goal of a healthy food industry and grocery industry in Britain.

I have lobbied and campaigned for an ombudsman for an awfully long time. Having somebody independent of Government and the supermarkets making the decisions would have the advantage of giving confidence to suppliers to invest for the long term and take long-term decisions.

My Bill has been the subject of a lot of discussion in the press. I welcome the announcement by the Conservatives that they agree that there have been market failings in the current circumstances and that we should have an independent ombudsman to right that wrong. In January, the Government accepted the need for a body independently to enforce the code of practice. The Minister for Further Education, Skills, Apprenticeships and Consumer Affairs, my hon. Friend the Member for Cardiff, West (Kevin Brennan), announced that the Government accepted the Competition Commission's recommendations and said that a consultation would be undertaken on the new code, which came into force on 4 January 2010—a consultation not on whether we need an ombudsman but on how best that ombudsman should be housed and have the tools to enforce the code. I am very grateful that as we go into the next general election the two major parties support the appointment of an ombudsman, as do all the other parties in this House. I am speaking from a position of strength and consensus in promoting this Bill. It has always been my intention, and that of its sponsors, to create that consensus across the House to ensure that we get the best deal for suppliers and for consumers. I hope that we can move forward on that united front.

Of course, there are those who oppose the Bill, including the British Retail Consortium and, as my hon. Friend the Member for Stroud (Mr. Drew) said, some of the supermarkets are divided on the issue. However, I believe that the momentum is going in its favour and that the supermarkets will find that they have nothing to fear from fairness in the grocery market supply chain.

Mark Williams: The hon. Gentleman has alluded to the British Retail Consortium, which has described his proposal as a new "multi-million pound bureaucracy". It obviously has ramifications in terms of costs. However, the National Farmers Union has said that the cost of the ombudsman would be as minimal as 0.005 per cent. of the turnover of the supermarkets, which amounts to some £70 billion. Given what he is trying to achieve, surely that represents real value for money.

Albert Owen: Yes, I agree with the NFU. I do not agree with the NFU on all issues—in fact, there are some on which I am diametrically opposed to it—but on this one, I have worked with it, and I have seen the figures. An independent analysis of those figures comes to the same conclusion about the costs. I believe that they could be absorbed quite easily. In proposing a code and an ombudsman, we are seeking fairness whereby suppliers can invest for the long term, can display more innovation, and can give more choice to the consumer.

Mr. Chope: Does the hon. Gentleman believe—it is not clear from his Bill—that a complainant should be able to complain to the ombudsman and remain anonymous? The supermarkets have said that that would be a grave breach of natural justice. What is his position on the matter?

Albert Owen: I certainly do not agree that it would be against natural justice. A supplier—perhaps a sole trader—who has a long-term contract with a supermarket and depends on it for his or her livelihood might find that the supermarket had retrospectively changed the conditions of the contract. In taking the complaint to the ombudsman, that person should have some cover whereby the facts can be presented, the contract can be produced, and the outcome can be arrived at transparently. They should have the benefit of not being named, because their livelihoods depend on it. I am sure that the hon. Gentleman supports sole traders and small businesses. The Competition Commission recommended, in the interests of fairness, that they should be added to the ombudsman's responsibilities.

Mr. Dismore: Surely the real issue is the inequality of arms between a small supplier and a mega-multinational supermarket. The supermarket is of course entitled to know the case that it has to meet, but that does not necessitate the identification of the individual who has made the complaint, who could be eaten up alive by the giant power of the supermarkets. What is important is that the supermarkets know the case that they have to make—the gist of the case, as we say in other aspects of the law that we debated earlier this week.

Albert Owen: My hon. Friend is an accomplished lawyer, and he understands these things far better than I do. That concern is not covered in the Bill, but there is no hidden agenda. The intent is to help and support the small supplier and small trader overcome the existing imbalance in the grocery market. He is absolutely right about that.

Andrew George: The hon. Gentleman is making an important point. Further to the anonymity of complainants, it is more important to emphasise that the ombudsman should be able to undertake investigations on a proactive basis, because even if a complainant were to act anonymously, it would be pretty clear, at a very early stage of the investigation, where the original complaint might have come from. When the OFT undertook an inquiry into the effectiveness of the supermarket code of practice published in February 2004, it found that suppliers would not complain because of what they described as a climate of fear about the consequences should they use the remedy available to them.

Albert Owen: The hon. Gentleman is absolutely right. Let us not forget that the inquiry undertaken by the Competition Commission took some two years and included cases and evidence from a wide range of bodies, and its conclusion was that the ability to make anonymous complaints was required by some small businesses. There is no hidden agenda in the Bill. We cannot put everything in it, but the intent is as I am outlining. Clause 1(3) sets out the purpose of the ombudsman, which is to

"ensure fair dealing between retailers and their suppliers...promote competition for the benefit of consumers...enforce the Groceries Supply Code of Practice... ("the Code"), including the investigation and determination of complaints and disputes under the Code; and...fulfil the purposes set out in the Recommendations from the Competition Commission to the Minister of State for Business, Innovation and Skills on 4 August 2009".

It is therefore clear what the Bill is intended to do. It has widespread support, and I believe that we should move forward and establish an ombudsman as soon as it is practical to do so.

Clause 1(4) calls for the ombudsman to be independent of the OFT. There has been some debate about that, and I fully understand why, but to me, an independent ombudsman is one that will investigate and make a determination on conduct allegedly in breach of the code thoroughly and objectively, without outside interference. It will have to build up trust and be easy to access by suppliers, retailers or the OFT itself. It is important that it be independent, and seen to be independent, in dealing with the complaints brought by those three groups and bodies.

Philip Davies: I understand the hon. Gentleman's point, but can he explain how on the one hand he is asking the OFT to establish the ombudsman, and on the other saying that it should be independent of the OFT? How on earth can it be independent of the OFT if it has been appointed by it?

Albert Owen: The answer is quite easy—we lay down the principles and allow the ombudsman to get on with its work, listen to complaints and act on the evidence that it is given. It is very simple. Parliament sets up many independent bodies and accepts their findings, so I do not see a conflict.

John Penrose: This is potentially a point of contention, but it is one of detail and does not undermine my party's basic principled support for the idea of an ombudsman, which the hon. Gentleman has mentioned. It seems possible to argue that an ombudsman within the OFT would be a good deal cheaper, because it would avoid duplication while having all the same powers as the ombudsman that he proposes. I hope he accepts that the OFT itself is independent and has all the determination and resolution that he wants in his independent ombudsman. I am not sure why having an independent ombudsman independent of an independent OFT is necessarily an advantage over having the ombudsman within the OFT itself. Perhaps he could explain.

Albert Owen: I can explain my position, but I am uncertain of the Conservatives' position given what the hon. Gentleman has just said. My understanding is that they want an independent ombudsman within the OFT, and that is what I am saying. I think we are at one on that. The issue is not whether it is housed within the OFT, although there is a debate to be had about that in Committee if the Bill progresses. What is important is that it carries out its duties fairly and transparently, and that all sectors—the OFT itself, retailers and suppliers—have confidence in it.

I agree with the hon. Gentleman, because I do not want to set up an empire—a block of flats with "Ombudsman" on the door, a wide range of suites on

the fifth floor and so on. I want an effective body that will adhere to its responsibility. I am not really worried whether it is housed in the OFT's building, but I want it to be independent in that it makes its own decisions, so that the code can be applied correctly.

I have to be honest with the hon. Gentleman and say that I do have some concerns about the OFT, which is why we both want to have an ombudsman. If we were 100 per cent. confident in the OFT, we would not be arguing for an ombudsman. The word "independent" makes some people worry that we are going to set up a complete independent body, but whether that is necessary is a matter for debate. We need to establish the principle that we all share and ensure that the ombudsman does its job effectively.

Philip Davies: The hon. Gentleman says that he does not want to set up a great empire, which I am sure is a great relief to everybody, but clause 1(5) states:

"The Ombudsman may appoint staff which the Ombudsman thinks are necessary for the fulfilment of the Ombudsman's functions."

That seems a pretty wide-ranging ability for him to appoint as many people as he wants, in order to create such an empire.

Albert Owen: Again, the hon. Gentleman tries very hard to drag this down, but he is not succeeding. If he is suggesting that the ombudsman could do the job on his own, handling a flood of complaints from retailers, suppliers and the OFT, he needs to consider the matter more seriously. There need to be certain resources, but whether there could be economies of scale, perhaps through joint use of IT equipment and so on with the OFT, can be debated if the Bill proceeds into Committee.

Andrew George: The exchange about the ombudsman's independence was particularly helpful, because the extent of that will clearly be an issue for detailed debate. It is encouraging that, as I understand it, we all agree that the ombudsman must not be able to be overruled by the director general of the OFT. If there are ways of saving costs by bringing the ombudsman under the same roof as the OFT, with the same front-of-house facilities, or other ways of avoiding loading additional costs on those who are paying for the service, we should consider them. We are all moving in the same direction—we believe fundamentally that the ombudsman should not be overruled by the OFT.

Albert Owen: The hon. Gentleman eloquently makes my point for me. That is what we agree about—there is more agreement than disagreement between all the parties about the need for an independent ombudsman. However, the hon. Member for Weston-super-Mare (John Penrose) made the valuable point that the details are a matter for debate, which we should have in Committee to tighten up the Bill and ensure that we are all singing off the same hymn sheet.

It is important that the independent ombudsman has real teeth to do its job, so that it can build trust. If it were seen as just part of the OFT, perhaps retailers and small suppliers would not have the faith to go to it. They might feel that the OFT was an arm of government, with its director general making the decisions. That is why we want to establish an independent ombudsman.

Many of the Bill's clauses are technical, and there were many points that I would have liked to put into it but could not. However, I have explained that the need for the ombudsman has come from the Competition Commission, not from vested interests. The commission has examined the matter thoroughly. The hon. Gentleman said that the OFT could set it up, and I think we can all agree about that, because the OFT is set up in such a way that it can deal with competition issues, but the ombudsman's independence is crucial.

The Bill has cross-party support, and I have talked to a number of Members about it. Its sponsors come from all parts of the House, which is important. The debate outside has also been useful. Yesterday there was a reception hosted by the Grocery Market Action Group, and many organisations were there. I would have liked more dialogue with the supermarkets, but some of them made their views clear in statements to the press. There are divisions between them, and the ones that have already accepted the code, as they will have to, have nothing to fear from a referee or an ombudsman. I make that point time and time again. If we have the fairness and firmness of an ombudsman, we can all benefit. So I welcome the Government's moves in response to the Competition Commission's report, and I believe that the Bill can help and be a vehicle for creating the post of ombudsman in law.

We all value this country's food industry—its diversity and strengths. The small and the not-so-small organisations throughout the supply chain—producers, suppliers and retailers—are important to us, and they need each other to survive. The Competition Commission held an extensive inquiry and concluded that there are market failings. A voluntary code has not delivered fairness for suppliers or consumers.

The new code of practice has been in place since 4 January to ensure fairness and reduce the risk to suppliers that many hon. Members identified in their interventions. If we reduce the risk to suppliers, we allow them to invest for the long term, which allows for innovation, better quality products, more variety and more choice for the consumer. To ensure that the policy and the code work, we need the ombudsman. I hope that the House will accept that today. If I catch your eye, Mr. Deputy Speaker, I would like to comment on others' remarks later.

10.11 am

Andrew George (St. Ives) (LD): I support the Bill, on which I congratulate the hon. Member for Ynys Môn (Albert Owen). As a sponsor, the most helpful thing I can do is not take too much time on a Friday morning. Having engaged in debates on the issue on several previous occasions, I refer hon. Members to my remarks in those debates.

Today is St. Piran's day—Cornwall's patron saint's day. For a Cornishman to be away from the country of Cornwall and up here in England's capital city of London shows my commitment to the Bill. To be here on St. Piran's day shows commitment above and beyond the normal call of duty for a Cornishman. I am missing out on many processions and celebrations in Cornwall in order to demonstrate my support for the excellent measure.

I am pleased that we have the Bill after so much work over so many years by many organisations from diverse

[Andrew George]

backgrounds and interests. In the Grocery Market Action Group, organisations such as Traidcraft, ActionAid and Friends of the Earth work co-operatively in the same room with the National Farmers Union and the British Brands Group. That demonstrates the breadth of interest and concern that has brought people together to seek fundamental fair dealing.

Those who are involved in the proposals have never argued that the supermarkets' actions are in some way evil and that they must be stopped. Their behaviour in the past couple of decades has been entirely rational in the context of the market. It is rational for them to use their power in the marketplace to drive the hardest bargain that they can to sustain the highest possible share price and dividend for their shareholders. They are in competition with their few rivals, and that is how they must judge their success as companies.

However, those who are concerned and come from constituencies such as mine, where many small suppliers—small growers, small farmers, fishermen and others—supply the supermarket chains, ask when effective, successful, clever, even creative use of market muscle becomes abuse. Buyers' impact on the suppliers and what has been going on behind the scenes has been investigated and considered for many years. Those of us who have been involved and concerned about the matter have urged the Competition Commission and the Office of Fair Trading over the past 10 years to acknowledge that rather questionable practices have occurred. Those practices are in the interests neither of suppliers who wish to innovate, nor of consumers, who want a good range of products at competitive prices in the shops.

Philip Davies *rose—*

Andrew George: I emphasise to the hon. Gentleman before he intervenes that the Competition Commission clearly found in its report evidence of the transfer of excessive risk and unexpected costs, which have an impact on supplier innovation and ultimately on the consumer's best interests.

Philip Davies: The hon. Gentleman paints a picture of supermarkets being supplied exclusively by quaint, small farmers, when—because supermarkets are so big, have so many customers and need so many products—most suppliers tend to be big multinational companies, some of which are bigger than the supermarkets. He talks about supermarkets abusing their market muscle, but why is he so determined to stand up for huge, multinational suppliers when the supermarkets are negotiating with them to try to reduce the price for the consumer?

Andrew George: I am grateful for that intervention. Of course, when there is no evidence of unfair dealing between the suppliers and the supermarkets, there is no case to answer. The ombudsman's ability to investigate the trading practices is a back-stop, so if the hon. Gentleman is right, there will clearly be no case to answer. The Competition Commission investigated the matter more thoroughly than I believe the hon. Gentleman has been able to do, and it has reached clear, balanced conclusions.

Albert Owen: The hon. Member for Shipley made an important point. However, under the Bill, suppliers and retailers will be able to complain about any injustice. I cannot understand the problem. If he thinks that there is an imbalance, and that huge suppliers are unjust to the retailer, the complaint can be made.

Andrew George: I am grateful for that. The hon. Gentleman is right. I hope that, in Committee and at other stages of the Bill's passage, fair trading working both ways—the boot could be on either foot—will be emphasised. Of course, it is possible that a Cornish potato grower would approach the chief executive of a large supermarket and say, "Here are my potatoes. You're selling them two for the price of one, you're paying and I want the money up front a month in advance. If there's any wastage that damages the good name of my product, or you damage my reputation by not handling my goods properly, after I've delivered them to you in pristine condition, you'll pay a fine. If you don't agree to those terms, I won't supply you." When the boot is on the other foot and the supermarkets wish to complain to the ombudsman that their suppliers are treating them unfairly, the ombudsman should examine both sides of the relationship. However, the Competition Commission's point is that it has found questionable practices working the other way, and that suppliers are being treated unfairly. It has clearly concluded that an ombudsman is needed to uphold the principle of fair dealing, which is why the Bill is vital.

I do not wish to speak for very much longer, but one element of the Bill that needs to be emphasised strongly—I highlighted it in an intervention—is the need for the ombudsman to be able to undertake investigations proactively, as well as on the basis of overt or anonymous complaint. Ultimately, the Bill will benefit not only the market, but consumers, who have a massive interest in the measure.

Supermarkets could also benefit significantly. Those with a turnover of more than £1 billion will be covered by the Bill, and many such supermarkets support it—admittedly, some only conditionally. They should embrace the measure, because at the end of the day, if they have nothing to hide, they have nothing to fear. At the end of each year when the ombudsman reports, what could be better for supermarkets than the ability to say that the ombudsman has investigated them, found that their relationship with their suppliers is positive, and given them a clean bill of health?

John Penrose: I take the hon. Gentleman's point about investigations. It is entirely possible that if the source of an anonymous tip-off needs to be protected, they can be so protected if the ombudsman, the OFT or whoever carries out an investigation discovers the information in the files of a supermarket—that can be an effective way in which to maintain the anonymity of a whistleblower. However, that relates to an earlier discussion, to which we may have to return in Committee, on whether the ombudsman should be part of the OFT, which obviously already has such investigative powers. There is a danger of duplication and heavy-handed intervention, because the powers already exist. We might need to deal with that more detailed point in Committee.

Andrew George: I entirely acknowledge that that needs further investigation in Committee, but my response now is that if the OFT had been using such powers, we would not be here discussing the need for an ombudsman. I am critical of the OFT and its attitude towards such matters, because it does not wish to look beyond satisfied customers at the checkout and through the supply chain. That has always been a problem for those of us who are concerned about supermarkets' suppliers. However, the hon. Gentleman makes a perfectly fair point. Legislators need to be aware of, and to monitor continually, such matters, so that we do not end up absurdly over-regulating or engaging in heavy-handed interventions.

There are tremendous advantages in the Bill for the larger retailers. If at the end of each year they can be seen to have been exonerated by the ombudsman, they could shout about it and use it in their publicity. It would be good for supermarkets' public relations if non-governmental and campaign organisations congratulate them when an ombudsman's report proves that they have treated their suppliers fairly.

Nia Griffith (Llanelli) (Lab): Does the hon. Gentleman agree that the ombudsman's approval could be like fair trade flags? Supermarkets could gain a similar kudos and display a similar badge to show that they are proud of what they are doing.

Andrew George: That parallel is entirely right. In previous debates on the matter, I proposed that a food trade regulator—that is what I proposed to call such a body—should be able, at the end of each year, having undertaken proactive investigations, to provide such a charter mark or badge to a retailer and give them that level of exoneration.

That would also reassure retailers' customers. The National Federation of Women's Institutes is concerned about the future of the dairy industry, but many other bodies are informing their members—millions of people—about the impact of the relationship between supermarkets and suppliers. People are concerned, but when they go into supermarkets, they are not always aware whether their purchases are a good or bad thing or whether they are sending the right signals. The transparency and reassurance of an ombudsman would be welcome for both consumers and supermarkets, which the latter should embrace.

Mr. Roger Williams: Another benefit for supermarkets and large retailers is the ability to plan for a continuity of supply. That is important for both them and their customers. Agricultural support used to encourage supply, but we have now moved away from that. If we are to have continuity, we must have profitability right the way along the supply chain. A regulator could achieve both that and continuity of supply.

Andrew George: I strongly agree. That is one reason why the National Farmers Union of Scotland and the Farmers Union of Wales support such a measure—I pay tribute to the latter, which has pursued this line for longer than the other farmers' unions. One beneficial outcome, which I would have thought British-based large retailers would have acknowledged, is that a supermarket ombudsman would provide and underpin stability to British growers and producers. That can only be good thing. Many people in this country are concerned about the self-sufficiency of the UK production and supply base. The uncertainty created by the relationship between supermarkets, suppliers and producers has in turn created a climate in which growers and producers frequently go out of business—the margins are so small that the viability of many sectors is in question. Greater stability and certainty within the market will improve British production and self-sufficiency.

John Penrose: I am concerned by the hon. Gentleman's last couple of remarks. Will he clarify that there is a distinction in his mind—because there certainly is in many other hon. Members' minds—between the proposal for a grocery market ombudsman and his party's wider proposal for a food industry regulator? The Bill is for a smaller, more circumscribed body, and if the hon. Gentleman wished to push it a little further he might find that the cross-party unity starts to fray rather rapidly.

Andrew George: That is a fair intervention and one that might be probed further in Committee. One issue that is very much open to debate is how far up the supply chain this measure would go. The Competition Commission originally suggested in its recommendations in 2008 that the supermarket ombudsman should concern itself with the ultimate supplier to the supermarkets, but many of the primary producers see those ultimate suppliers as being in the pocket of the supermarkets as they pass on the demands of the supermarkets down the supply chain. The ombudsman should have the ability to take complaints from primary producers, and I hope that we will have the opportunity to investigate that issue further.

I have spoken for longer than I intended, but I have taken several interventions through which we have been able to explore the issue. This is an excellent measure. I know that the Government have been consulting on it since 4 February, and I hope that responses are coming in thick and fast. There is strong support from my party for the Government's move on this issue—albeit that it is late in the day. We want to see the measure on the statute book and the ombudsman in place as soon as possible.

10.32 am

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to speak in support of this excellent Bill. I know that the eyes of the world may not necessarily be on us this morning, but that is a great shame, because we are doing something worth while that will bring fairness into the lives of producers and consumers. Most people I talk to believe in the need for fairness in the food chain in particular, as well as in all other aspects of consumption.

I pay tribute to my hon. Friend the Member for Ynys Môn (Albert Owen) for introducing this Bill. It brings to a head the campaign that the hon. Member for St. Ives (Andrew George) has led admirably, and I am pleased to add my support today. It is wonderful that we are doing the work for the three Front Benches. I hope we can make some progress today, given that consensus has broken out—

Mr. Chope *indicated dissent.*

Mr. Drew: Well, as with all consensus, there are those who choose to break it. We might be able to win them over with the power of our arguments and the clarity of our rhetoric.

I declare an interest, as a Co-operative MP as well as a Labour MP, and I have lobbied the Co-operative Group for some time on this issue. I like to think that it will come off the fence eventually and support the idea of an ombudsman. It is a democratic organisation, and sometimes it takes time to get a decision on a particular issue. The Co-operative Group has more to gain than most from this Bill, because of its belief in mutuality, fairness, justice and openness, so I hope it will support the measure and help to move towards a strong ombudsman that does the job properly.

This has been a long fight, and as in all long fights, it is very satisfying to be almost within sight of the end of the road, although we will not know how it will work until it is tried. I do not want to count my chickens when it comes to this bit of the food chain until we have seen whether the ombudsman—if and when set up—has not only the power, but the willingness to perform the activities we would like to see. As both my hon. Friend and the hon. Gentleman said, it is pleasing that the Bill would give the ombudsman the ability to be proactive, but the office holder has to be willing to use that power.

I pay tribute to the coalition led by the hon. Gentleman, who has brought together a good group of organisations—listed by my hon. Friend—representing a wide range of interests. That variety of interests has been a useful argument against those who claim that this is a narrow, sectarian Bill on behalf of narrow, sectarian interests. In fact, if we were to add up the millions of people represented by the organisations in question, it suggests that we are on the side of the angels, and I am proud to be on that side of the argument. It takes a brave Member to take on the Women's Institute, as a former Prime Minister knows only too well. Certain hon. Members need to tread very gently.

The hon. Gentleman made it clear that we have been dismayed by the lack of action by the Office of Fair Trading and the Competition Commission. This proposal is the culmination of the latest review, but there have been previous reviews and some of us were unhappy with the outcomes, which were unclear and did not help our cause. We are pleased that the statutory code of practice will now be overseen by the ombudsman, apparently.

Another important issue—although it is not within the purview of the Bill—is the planning arrangements that affect supermarkets. That is another area of dispute and, without making allegations, I can say that there is a degree of anti-competitive practice. As I say, that is not part of this Bill, but it is part of the overall context in which we have seen a growing coalition around the introduction of an ombudsman.

Some three years ago, I conducted a survey to look at why it was so difficult to achieve clarity in the relationship between the suppliers and the supermarkets. It was an anonymous survey and the aim was to try to elicit information from the 100 leading suppliers—by size—so that they would be encouraged to give evidence to the Competition Commission inquiry that was then in progress.

I shall explain why the basis of that inquiry had to be one of anonymity. I wrote to 100 leading suppliers asking for anonymous replies, but received only four, three of which said that it was not worth their while commenting. The one that did comment, however, was interesting. I cannot say who it was, of course, because I do not know—it was sent back anonymously—but the comment concerned a classic abuse well known within the trade but probably not among most consumers. One hears about it when one asks a supplier how retailers retaliate if they feel that the supplier is not playing by the rules of the supermarket's game.

The products of those 100 suppliers are well known, so it would be foolhardy for supermarkets to take action against them. If a customer says he wants a tin of so-and-so, a bottle of this or a packet of that but does not get it, he might go to a competitor, so supermarkets never take action against a main product line. However, if they feel that a supplier is being difficult or not meeting their requirements—the supplier might be bringing undue pressure to bear—they could take action against the secondary product lines or, in particular, the new ones that the supplier might wish to introduce. How a supplier introduces a new product is entirely dependent on retailers—where they put them, what deals are done and how willing they are to buy them—so suppliers live in fear of the supermarkets' ability to exact retribution.

We have to talk about that culture of fear. We are here to build bridges, but we must consider the context. Even the biggest suppliers live in fear of what could happen to them. This is not about corner shops or small producers facing difficulties if they lose a contract, but about the big guys still fearing the even bigger guys. I thought the rugby referee analogy, used by my hon. Friend the Member for Ynys Môn, was a good one, so I shall take it further. Were this about the odd trip, a push in the line-out or a ball being chucked into touch when it should really have been kept in the field of play, all I would say is, "Well that, I'm afraid, goes on." However, that is not what we are talking about; we are talking about the intricacies of the front row—the odd bit of eye-gouging and the occasional use of the boot to make it clear who is in control of the game and who stands to lose if they push their luck too far. That might have gone on in the old days of rugby, but in these days of cameras and so on, people are less inclined so to behave, particularly given that they could end up with a fine after the game or—dare I say it?—a ban. *[Interruption.]* We have not got on to the ear-biting—we will leave that for another day.

That is what the ombudsman would do. It is about introducing fairness, justice and transparency to the operation of the food chain and, more generally, the supply chain.

Philip Davies: To continue the rugby analogy, does the hon. Gentleman not fear that, with a potentially proactive ombudsman, some suppliers might fake blood or an injury?

Mr. Drew: That is very good, so I shall continue the analogy. If people are found to have cried wolf, they will face even greater retribution, but this time, not only will the supermarket be having a go at them; they will face the full power of the ombudsman and could have their manager removed, their players banned and so forth.

I ask this question genuinely, as I always do: what do the supermarkets have to fear from the introduction of an ombudsman? Three arguments have always been

used against it. The first is that the supermarkets do not need one, because there is nothing wrong, everything is above board and everybody is happy. Why, therefore, did evidence have to be given in confidence and anonymously? The reason, of course, is that that is not the case. The second argument is that an ombudsman is too expensive, but the hon. Member for St. Ives has exploded that myth. It is not too expensive; this is a minor cost, expected to be about £5 million shared among the biggest retailers and supermarkets. The cost is minimal.

The third argument goes, "We can best do this ourselves, and we don't need these terrible people from Government interfering and setting up this apparatus." As I said in an intervention to my hon. Friend the Member for Ynys Môn, however, supermarkets are divided on that. Some would welcome an ombudsman, because they have accepted that there is unfairness in the system and want to have their names cleared in the light of allegations that might swim around, and which might blacken their names along with those of retailers who clearly are offending. So I welcome what we are trying to do.

I welcome the fact that all three Front Benches have signed up to the proposal and that we have established, in setting up the ombudsman, some key principles, including transparency and the ability to investigate, with the possibility of clear action—including punishment—following. It would not have to include punishment or fines, however: there might simply be a need to consider how an aspect of the supply chain operates. Other key principles include fairness and proportionality. The latter point, which perhaps no one has touched on, is underestimated: we are talking about not the imposition of massive fines, but proportionate responses where malpractice has been established, and justice being exacted to ensure that those who have caused the problems learn from their mistakes.

I also welcome the international aspect of the proposal, because some of the greatest unfairness occurs against those who import, usually from the developing world, and are subject to all manner of restrictions and malpractice. I hope that we can identify that and try to restore fairness to the terms of trade. I hope, therefore, that there will not be any opposition to the measure. There might be criticism, but the right place for a critique of, and for improving, the Bill is in Committee.

I am pleased to be sponsoring three other private Members' Bills—somewhat foolishly, perhaps—which is why my time is even more valuable than normal. However, if I am chosen to sit on this Bill Committee, I hope that we can further improve the Bill, because that would be the right place for a critique and to put in place the detail necessary to make the Bill do what we want it to do. I hope, therefore, that the Bill gets a Second Reading shortly, and that there is, building on this unanimity, a desire to reintroduce greater fairness into a supply chain—what was a food chain—that has worked well in the past, but which in recent years has been subject to an imbalance between the supermarkets and suppliers.

10.49 am

Mr. Christopher Chope (Christchurch) (Con): I am against the Bill. It is wholly misconceived, and I shall, without shame, speak on behalf of the consumer. The Bill would give the right to suppliers to go to an ombudsman, but not to consumers to go to the ombudsman and complain that the consequences of its work were that the costs of products were rising and that they were having to pay more.

It would be bizarre if the House let the Bill pass on the nod, when it has been so strongly attacked by one of most successful entrepreneurs this country has ever produced—Sir Terry Leahy, the chief executive of Tesco. When he was interviewed by The *Financial Times* on 12 February, he said:

"I'm not in favour of an ombudsman. Everyone knows supermarkets are one of the most competitive industries around. That competition puts power in the hands of the consumer".

He asked:

"In a free society, why would you want an ombudsman if there are no problems now as far as consumers are concerned?"

He concluded:

"An ombudsman would be there to protect suppliers but should be there to protect consumers."

Nia Griffith: Does the hon. Gentleman not agree that the profits made by the supermarkets are the motivation for such statements, and that, while the consumer will fare very well as a result of the Bill, the profits of the supermarkets may be adversely affected by it?

Mr. Chope: Some supermarkets are profitable and some are not. Those that are not profitable go to the wall. There is clearly enormous scope for new market entrants. Aldi and Lidl, for instance, saw the opportunity to push into the supermarket business, where there is currently a lack of competition, and they have exploited the gaps in the market. The successful supermarkets have grown. They are the ones that have kept in touch with their consumers.

We all know of examples of supermarkets that have failed. When I was a student, my local supermarket was Safeway. Safeway is no longer on the high street, because it failed. When I was a teenager being brought up in Cornwall, where my parents lived, there were no supermarkets there, and I recall the sense of excitement when Marks & Spencer opened one in Truro. As the hon. Member for St. Ives (Andrew George) will confirm, Truro now has an enormous Tesco, an enormous Sainsbury's and a very successful Marks & Spencer, and not far outside Truro there is a very successful Asda.

There was a time when the Cornish peninsula was starved of the competition and choice that comes with supermarkets. It is regrettable that, as far as I know, Waitrose has not yet extended its services to the peninsula, and I hope it will not be long before it does. I am delighted to be speaking immediately after the hon. Member for Stroud (Mr. Drew), who is a member of the Co-operative party. There was a great air of excitement in my constituency when the Co-op store in Christchurch closed and was replaced by a Waitrose. That is what happens in the real marketplace.

Albert Owen: I am grateful to the hon. Gentleman for reeling off the names of all the supermarkets that have moved to Cornwall. We experienced the same situation in north-west Wales during the 1980s, when there were very few supermarkets in the area. That has now changed. Because people are feeling a little wealthier and able to spend more, they are attracting more retailers, including

[Albert Owen]

Waitrose in my constituency. I welcome that, and Waitrose welcomes the idea of an ombudsman. It is not true that all supermarkets oppose the idea. Many are in favour of it, and see it as the way forward.

Mr. Chope: Some supermarkets may see it as the way forward, but it is possible that they have not looked at the Bill very carefully. I think the Bill constitutes a grave distraction from the real issues affecting consumers and, indeed, suppliers.

One of the biggest problems for a supplier based in Cornwall is the cost of taking his goods to market. That is largely due to the cost of transport and the high taxes charged on diesel, which discriminate against suppliers from the more remote parts of the country. What will the Bill do about it? Nothing whatsoever.

What about the common agricultural policy, which is probably the greatest burden that consumers of grocery products in this country have to bear? I am glad to see that the hon. Member for Stroud agrees with me about that. The common agricultural policy probably adds about £1,000 a year to the average family's grocery bill. That is the big issue we should be trying to address, but the Bill avoids it. What about the costs of regulation imposed by Government on supermarkets, other retailers and suppliers? What about the VAT that is imposed on an increasingly wide range of supermarket products, including, I understand, Pringles? What about all the extra regulations that are constantly being introduced, and which discriminate against the small supplier?

The House should be addressing those major issues, rather than going along with the superficially attractive idea of creating an ombudsman whom the Bill would allow to impose unlimited fines and costs on grocery suppliers and supermarkets, and to reach determinations based on anonymous complaints against which there could be no appeal other than on a point of law. The Bill pushes arbitrariness far beyond what is reasonable. Those who are campaigning against it are well advised, and I am glad that they have support from Members of Parliament. There may not be many Members in the Chamber today, but I know that my hon. Friend the Member for Shipley (Philip Davies) and I are not alone in our concern about the Bill.

Mr. Drew: Will the hon. Gentleman tell us—for the benefit of *Hansard*, if for no other purpose—who is opposing the Bill?

Philip Davies: I am.

Mr. Chope: In anticipation of the intervention from the hon. Member for Stroud, I have it made clear that I oppose the Bill. My hon. Friend the Member for Shipley opposes it as well. I cannot speak for others, but it is a pretty good rule of thumb when we are legislating in this place that if there is a consensus between the Front Benches, it will be very bad for the country. That may not be apparent initially, but it usually becomes apparent later. The ghastly Dangerous Dogs Act 1991, for instance, was passed on the basis of consensus. So, in the end, was the ghastly high hedges legislation, which some of us opposed. It was passed with no debate whatsoever, as part of the Anti-social Behaviour Act 2003, and I receive a lot of complaints from people who say that it raised expectations but has not delivered the goods. There are many other examples.

Albert Owen: The hon. Gentleman has identified two Members who oppose the Bill. Would he care to list those outside the House who oppose it, apart from Sir Terry Leahy, whom he mentioned earlier? It is a fact that the National Farmers Union, the Women's Institute and various other bodies that are represented in all our constituencies have thought about the issue. They are consumers, and they have concluded that the current system is unfair. Does the hon. Gentleman simply ignore what they say and what the Competition Commission says?

Mr. Chope: I shall not respond to the hon. Gentleman's challenge and list everyone who opposes the Bill, but my hon. Friend the Member for Shipley referred to one distinguished individual who has already spoken out against it. I hold no brief for the British Retail Consortium, but it seems to represent a lot of retailers: in other words, a lot of shopkeepers up and down the country. If the British Retail Consortium is against the Bill, as I understand it to be, I am sure that its members are against it. If they are not, they will soon be resigning from the consortium in accordance with the principles of the marketplace.

I can say with some confidence that if consumers realised that the Bill would push up the prices they pay in the supermarkets, they would be opposing it in large numbers. They would be lobbying and petitioning against it. I am sure that if they realised that, under the Bill they would have no right to bring cases to the ombudsman or to make representations about the consequences of the restrictions on competition that the Bill would impose, they would be eager to speak out on the subject.

We are sent to this place by our electors to exercise our judgment on the issues before us. Despite the comments of the Bill's promoter and others who say they support it, the evidence I have seen when one looks beneath the surface is that the Bill will just lead to a lot more bureaucracy and expense and will interfere in one of our most successful industries—our retail industry. That highly competitive industry delivers much lower grocery prices to consumers in the United Kingdom than are found in almost any other part of Europe. Those prices would be even lower if we could address the ghastliness of the common agricultural policy. I shall not go further down that route, Mr. Deputy Speaker, but may I just say that it is important that those of us who think this Bill wrong should have the courage of our convictions and oppose it on Second Reading? *[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. It may come as a surprise to hon. Members that the hon. Member for Christchurch (Mr. Chope) was as concise as he was, but attention and vigilance is wise at all times. I call Nia Griffith.

11 am

Nia Griffith (Llanelli) (Lab): Thank you, Mr. Deputy Speaker—you take the very words out of my mouth.

I begin by congratulating my hon. Friend the Member for Ynys Môn (Albert Owen) on coming so high in the ballot and on choosing this extremely important issue

out of the many different topics available. Introducing this Bill is crucial, and we have waited a long time for it. We have seen the report from the Competition Commission and we have been told that this Bill is a helpful way forward, yet there has not been an opportunity to get it enacted—it is high time that we did.

We can often get lost in nostalgia, thinking back to the time when every village had a little row of shops, but we must remember that that was the time before the motor car—or the time when many people, mostly women, had no access to motor cars—so every bit of shopping had to be carried home. Shopping was therefore done on a daily basis. Of course we have moved on from that and all of us like to enjoy the full range of consumer outlets available to us. We love going into the specialised shop where somebody who has a real love of their product and their trade can spend hours telling us all about it, but we also love going into a big supermarket and getting everything done very quickly.

We are very lucky in Llanelli because we still have an indoor market, which has many of the traditional stalls where people can do a good morning's shopping and come home with all sorts of valuable products, many of which are locally produced. Obviously, we all want to ensure that there is fairness, be it in respect of the local corner shop, which we value because we can easily pop in at any time—day or night—the supermarket, the indoor market in Llanelli or the specialist producer. Even the British Retail Consortium refers to the code of practice. If it is so keen on the code, it is difficult to see why it opposes the idea of a "referee", as my hon. Friend the Member for Ynys Môn has termed the ombudsman. It is right that we should have proper rules and regulations and a proper code.

Philip Davies: The hon. Lady goes on about that, but the code that she mentions is overseen by the Office of Fair Trading, so why do we need an ombudsman?

Nia Griffith: The Competition Commission has taken evidence and made a recommendation, so it has clearly gone into this issue far more thoroughly than perhaps the hon. Gentleman or I can possibly do in the short space of time available to us. It is clear that huge distortion has resulted from the fact that there are one or two large players in this market, and we therefore need to strengthen the tools that we have to deal with them. That is why we want a grocery market ombudsman.

Dairy farmers in my constituency face considerable difficulty. Again, we can recall what happened in the past. I remember accompanying my grandmother when she went to cook and clean on a local farm, and at that stage milking was still done by hand, with the milk put in churns. We have moved on—of course we have, because everybody needs to upgrade. High standards need to be met on hygiene and efficiency, and huge investment by farmers is required to meet them. All that needs to be financed and we know how difficult it is for some of the young people in our constituencies to remain in farming. We know how difficult it is to raise the capital to make those necessary investments and to bring everything up to the required standards.

Mark Williams: I very much agree with what the hon. Lady is saying. Does she agree that morale has sunk to an all-time low in the dairy sector and that one of the most attractive qualities of the Bill is the extent to which it will send a powerful message about the ability of primary producers to innovate and to invest, because it will take away some of their concerns and the risks to which they have been subjected by the behaviour of some retailers?

Nia Griffith: I agree with the hon. Gentleman. It is crucial that we should stop portraying farmers as simply whingeing; what they want is a fair deal. They want their concerns to be taken seriously and they want a fair price. The price of milk has not kept pace with inflation at all—the price has been ridiculous—and those farmers need our protection, so that they obtain a fair price. They are not asking for special treatment; they are asking for fair treatment. I recall the time, some 30 years ago, when the whole fair trade movement was very new. A street theatre would show a banana being chopped into pieces to illustrate how much the producer got, how much the middle people got and how much the consumer actually paid. We have come an extremely long way since then—we have come so far that people can buy an enormous range of Fairtrade products, and supermarkets are becoming proud of the fact that they are stocking them. They boast that they do.

We need to value our home producers in the same way. This week, as part of Fairtrade fortnight, we are celebrating the progress that we have made on fair trade in respect of products that come from developing countries, but we must ensure that we do the same for our local producers. We need to ensure that they are also valued for what they produce. I have never quite understood the logic of selling lettuces at two for the price of one. People end up being tempted to buy two lettuces for the price of one, only for them to go home and find that they have already got a few lettuces in the bottom of the fridge. It is extremely difficult to get through a large quantity of lettuce in a short time, no matter how good the quality, and the product does not keep for ever and ever.

Philip Davies: The hon. Lady seems to be giving the impression that supermarkets impose things such as "buy one get one free" offers on suppliers, who do not want to pursue them. In the real world, it is suppliers who always insist that supermarkets make these offers because the suppliers see that as a way of marketing their products. "Buy one get one free" offers are the result not of supermarkets imposing them on suppliers, but of suppliers coming to supermarkets because they want to do them.

Nia Griffith: We will have to beg to disagree on some of these points. The supermarkets have enormous power and there is enormous potential for distortion of the market. One decision made by one very large player can have a huge knock-on effect on everybody else in the market. We are considering fairness here; we are not considering special treatment. We are not being soppy, romantic and overly nostalgic and we are not assuming that nothing should ever change. We accept that there has to be change and that the modern world requires enormous changes to be made by our farmers and producers. We therefore require a fair and level playing field, whereby everything that is thought to be in any way unfair or anomalous can be examined by an independent ombudsman, who can then take up the

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issues and examine whether there is a way of making things fairer and whether anybody is being badly done by. It is important to make it clear that we are not against the supermarket and we are not against the consumer.

We all understand that modern life is such that people benefit enormously from having a range of shops to which they can go. We know that people sometimes want to do everything under one roof in a hurry and they want the enormous variety that can be put on display by the supermarkets. We also know that at other times people want the shop that is just down the road from them because it is convenient and easy to reach. What is important is that any one player or any one institution is not so large and dominating that other people do not receive any form of fair play.

As I say, we are not looking back and we are not trying to recreate some sort of ideal from the past, which of course was never quite such a golden era as we always seem to imagine. We are living in the modern world and are trying to get a fair deal so that the consumer can know that when they go to buy products, the people who have produced them receive a reasonable price. The consumer demands that nowadays. The consumer demands Fairtrade products. demands to know whether companies that import clothing from third world countries are using child labour and wants to know whether the staff in the local supermarket are allowed to join a trade union. Consumers are very ethical and discerning.

Mark Williams: The hon. Lady will agree, I am sure, with the point that has been made repeatedly this morning—the annual report that the ombudsman will be required to provide to give a bill of health on the performance of the supermarkets in these matters will give the consumer exactly the kind of information that is needed. Far from this being a supermarket-bashing debate, it is about empowering consumers to make decisions on the behaviour of the supermarkets. That should surely be welcomed.

Nia Griffith: Indeed. The interest in ethical investment and in wanting to spend one's money in businesses that one feels are ethical is growing daily. People want to make ethical investments, whether by investing in certain companies or shopping in certain places. Consumers are asking questions. They are asking whether people are treated fairly—whether staff are treated properly in the local supermarket or whether the producer gets a fair price. If the ombudsman can give a bill of health to a supermarket, it will be proud of that fact. It will probably want to badge it in some way and to talk it up in their local community. It is important that we get full consensus behind the idea, as it is through the support of the law-abiding majority that we make laws in this country, and that applies in this case. The supermarkets that are doing the right thing, that care about the price that they pay their producers and that look after their staff and consumers are not worried by the idea of a referee.

The idea that a referee could be damaging in any way seems completely absurd. Clearly, the idea is that those who play fair are dealt with fairly. The only difficulty would arise if there was exploitation or if totally unreasonable pressure was applied. As the hon. Member for Brecon and Radnorshire (Mr. Williams) said, it is not just a matter of price. It might also be a matter of terms and conditions. We know that, with the difficulties of the economic downturn over the past year and a half, ready income is important to the small supplier. We know that being paid promptly can make a huge difference between being in business or going out of business. It is not simply a matter of price—terms and conditions come into it, too, and so might such things as exclusivity clauses and ways in which the producer can be hemmed in or forced into a position in a manner that, frankly, we would term bullying in many other spheres of life. The producer cannot wriggle out or choose who they supply. We are busy talking about choice from the point of view of the consumer, but the producer also needs freedom to act so that they can get what they feel is the best price for their product and are not hemmed into a particular way of production and supply for a particular chain.

To sum up, we need to live in the modern world—we should not be nostalgic for times gone past—in which we, as consumers, are ethical and demand good standards, and choice. We want to have the specialist, the corner shop, the market and the supermarket, but we also recognise that the difficulties facing the farming industry at the moment mean that we could lose the ability to produce our own products such as milk. I hear people saying that we could be importing our milk from abroad before long. If someone goes out of business, they cannot simply press a button and start all over again. We all know how long it takes to restock and to build up a herd and a viable dairy farm. It is worrying to hear that some of our dairy farmers think, yet again, that they might have to pull out of the industry. They would be added to the many hundreds who have already done so. We are talking about food security and about a basic product, such as milk, having to be brought in from abroad.

It might come as a surprise to my hon. Friends to hear that we now produce more of our own food than we did back in the 1950s, when we had a large empire and were dependent on imports. However, it is important that we should look to the future and consider how we nurture and protect producers in all sectors. We know that people have to be responsive. Corus, in my constituency, which produces tins for many well-known brands, has to be extremely responsive and it has kept going through the economic downturn because of its immense flexibility. It is prepared to switch in a fortnight the style and quantity of tin that it provides for certain big producers because of changes in consumer patterns. If consumers suddenly want more baked beans, more tinned fruit or whatever, the Corus packaging plant in my constituency can change the type of tin that is required very quickly. We need such flexibility from the producer, but we do not want a situation in which producers cannot survive. That is the importance of this Bill. Without a grocery ombudsman, we might well see the end of many of our dairy farms. That is one of the main reasons why I support the Bill promoted by my hon. Friend the Member for Ynys Môn.

11.17 am

John Penrose (Weston-super-Mare) (Con): I start by congratulating the hon. Member for Ynys Môn (Albert Owen) on having come so high in the ballot—although

I am never sure why we congratulate each other on what is essentially a matter of chance—and on laying out this Bill in an extremely logical and careful way. He put the case very strongly and is also benefitting from widespread consensus across most of the House—certainly in the three major parties. He explained that and some of the factors that have led to the building of that consensus over many years. I congratulate him on that, too. He handled many interventions with a great deal of courtesy and logic and therefore managed to deal with an awful lot of the points that were likely to come up later in the course of his remarks.

The hon. Gentleman covered two issues that are worthy of extra detail. The first was the question of large suppliers versus small ones and the second was that of whether the proposed ombudsman should be in or out of the Office of Fair Trading. I propose to come back to them in a moment if I can.

I am not sure whether it is necessary for me to make this point, Mr. Deputy Speaker, but I shall make it anyway on the precautionary principle. My wife used to work for a couple of large supermarkets—

Albert Owen: So did mine.

John Penrose: The hon. Gentleman says that his wife did, too. I am not sure whether it is necessary to declare such non-interests, if I can put it that way, but I shall apply the precautionary principle just so that it is on the record.

The hon. Member for Ynys Môn was followed by the hon. Member for St. Ives (Andrew George). As someone with the name of Penrose—a solid Cornish name—I sympathise with the fact that he cannot be too close to Cornwall on St. Piran's day, which is very important in that part of the world. He is a leading light in the Grocery Market Action Group and I suspect that today is therefore an important day for him and everybody else in that organisation. It represents something of a victory on which they obviously deserve to be congratulated.

It is worth pausing to mark the important distinction that the hon. Member for St. Ives made between fair dealing and price setting. It is vital that everyone acknowledges that the Bill is proposing a mechanism to force and drive home fair dealing, and that it is not about price setting. If the Bill were to trip over the line between fair dealing and price setting, I think that none of us would support it. My party would certainly have great difficulty in doing so.

Albert Owen *indicated assent.*

Andrew George *indicated assent.*

John Penrose: That is an important principle to establish. To be fair, when I gently asked the hon. Member for St. Ives to distinguish between the ombudsman system that would be set up by the Bill and his party's proposals for a food market regulator, he was kind enough to draw a distinction and to say that this Bill would involve an entirely smaller operation.

The hon. Member for Stroud (Mr. Drew) then came into the debate. He was broadly, indeed strongly, supportive of the Bill. The only part of his argument on which one or two of us might depart was his comments about modern front-row forwards in rugby. I suspect that he was being sweetly naive in assuming that some of the more dark arts that have been practised for a long time by the front-row union have been reduced in any way. I suspect that they are going on, but in a modified form since the advent of camera use.

I was pleased to hear from my hon. Friend the Member for Christchurch (Mr. Chope), because he spoke up strongly in favour of consumers. The hon. Member for Ynys Môn also said that he is a supporter of supermarkets as well as of consumers and supermarket suppliers, and it is worth reiterating the point that supermarkets have driven down prices for us all. They have expanded choice and quality over many years, and they are, in general, in an incredibly competitive sector which I suspect all hon. Members use regularly. It would be rather double-dealing of us to pretend that they do not offer something that is tremendously important not only to us personally but to pretty much every one of our constituents. It is very easy to demonise them while forgetting that the reason they are so successful is that a great proportion of our voters shop in them every week.

Philip Davies: And work in them.

John Penrose: Indeed. People are voting with their feet, and supermarkets are therefore a very important and valued asset in this country.

It is also true, as my hon. Friend the Member for Christchurch pointed out, that supermarkets have built up a notable supply base in many areas over a great deal of time. There has been much discussion in this debate about the negative effects of the strong negotiating tactics used by supermarkets in some sectors, but that is by no means universal. I hope that it will be widely accepted that in the prepared foods and ready meal sector, a strong supply base has been built up in close partnership with the supermarkets. Indeed, the sector would not have been anything like as successful as it now is without that kind of very close partnership and trust between supplier and grocery chains.

Albert Owen: In the spirit of the consensus in which the hon. Gentleman is making his comments, let me ask whether he has read the excellent report by Professor Roger Clarke of the Cardiff business school, who looked into this issue in his report, "The Impact of a Groceries Ombudsman on Consumers' Best Interests". In the report, he acknowledges the benefits that supermarkets bring to consumers but, as I highlighted in my speech, he also says that if we had an ombudsman to increase fairness and to regulate the market properly, there would be greater innovation from suppliers, which would give greater choice and value to the consumer.

John Penrose: I thank the hon. Gentleman for his intervention. It is for precisely the reasons he has just given that my party supports the principle of having an ombudsman, and I was just trying to make the point that many consumer benefits have resulted from the way in which supermarkets have developed over time. However, we could still do better. The Competition Commission's report makes that very clear. I think that the report that he has just quoted was among the input to the Competition Commission report that was accepted by the commission and adopted as part of the report. That logic is very robust.

[John Penrose]

The hon. Member for Llanelli (Nia Griffith) made some supportive comments and made the point very cogently that no matter what prior experiences some of us might have had within our families in previous generations—I think that she mentioned her grandmother who had been involved in dairy farming—we have to live in the modern world. It is therefore important that we set up an architecture of institutions that will work to ensure that will cover the things that the grocery ombudsman will do in the modern world. So, she was also strongly supportive.

I return to the two issues that I mentioned at the start of my remarks—large suppliers and whether the grocery market ombudsman should be in or out of the OFT. I accept the point made by hon. Member for Ynys Môn that these issues should be discussed in more detail in Committee. If the Bill reaches that stage, we will have an opportunity to explore the best way of dealing with them. Let me put on the record my party's starting point on this issue. We would be quite nervous about having a grocery market ombudsman who sought to protect large oil companies, or large international or multinational suppliers such as Coke or Pepsi, many of which are a great deal larger than Morrisons, Sainsbury's or any of our British supermarkets. We would be very nervous about an ombudsman who sought to protect such suppliers from our domestic supermarkets. We do not think that it would be intelligent or necessary for the ombudsman to do that, and we would therefore want adequate safeguards in the Bill, should it get to Committee, to make sure that the ombudsman would be focused on the smaller end of the supplier spectrum, which is inherently more vulnerable simply because those suppliers do not have the kind of bargaining power that they would need if they were to go toe to toe with an organisation the size of Tesco or Morrisons, for example.

I am reminded of a story that is not quite an urban myth—probably a rural myth—that circulates widely in my constituency about a local company, Yeo Valley, which is a successful organic dairy and yoghurt producer. It supplies most of the major supermarkets and it has thrived by not being beholden to any one of them by ensuring that not too large a proportion of its business goes to Tesco, Sainsbury's or any of the others. If any of them try to use muscular negotiating tactics, it is able to withstand them because it has diversified its customer base. It has done that very successfully, and so that is a good model. The story that circulates locally—I have no idea whether it is true, but it illustrates my point—is that when a supermarket buyer turned up at Yeo Valley and said, "Now, look here, we need to reduce the price that we pay you for your yoghurts," the chief executive of Yeo Valley called his distribution centre and asked it "Will you please call back the lorries that are currently on their way" to that company's depot "because it can't pay for the goods?" Apparently, there ensued a rather rapid climbdown from the supermarket's buyer for the simple reason that he knew that Yeo Valley could afford to do that. There is a point to be made about not trying to protect people who do not need protection and about not trying to protect people against bad negotiating tactics at the expense of people who are capable of producing good negotiating tactics, such as my constituent from Yeo Valley.

Mr. Roger Williams: The hon. Gentleman makes an important point, but some small producers supply bigger processors. I am thinking about the report that the Environment, Food and Rural Affairs Committee will soon produce on Dairy Farmers of Britain. I do not want to pre-empt the report's findings, but one thing is certain—that group has gone bust, and that has caused huge problems for very small milk producers. Does the hon. Gentleman agree that we need to look at the whole food industry, including both small producers and larger processors?

John Penrose: The hon. Gentleman's intervention illustrates my point. It is important to protect people who are vulnerable to over-muscular negotiating tactics but we must not try to extend protection to companies that are either large enough not to need it or to those that are just making bad decisions. There are other reasons why companies go bust. I would not want to comment on the case that the hon. Gentleman mentions, but we do not want to start intervening when a dairy processor, or any other intermediary, goes bust for other reasons, because at that point we are on a slippery slope; that is the thin end of a very large wedge.

It is important for us to limit the role of the grocery market ombudsman so that it applies purely to companies that need protection from over-muscular negotiating tactics, and for us not to try to protect those companies from other follies, or other mistakes that they make, which are part of the normal risks of doing business.

Mr. Williams *indicated assent.*

John Penrose: I see the hon. Gentleman nodding, so I think that he agrees with the distinction that I am making.

Philip Davies: My hon. Friend is making some very good points that appear to be in direct opposition to the Bill. He talked about the thin end of the wedge, but by supporting the Bill—albeit tentatively, it seems—he is supporting a thin-end-of-the-wedge approach, because in many different industries big companies negotiate contracts with smaller companies in the same sector. If my hon. Friend is saying that we need an ombudsman in the food retail industry, surely we will at some point need an ombudsman to deal with big companies negotiating with smaller companies across all industries.

John Penrose: I thank my hon. Friend for that intervention and for the chance to clarify what I was saying, as I was clearly not as translucent as I should have been. We support the principle of the grocery market ombudsman, but I was trying to put down a marker for Committee, should this Bill make it to Committee, that there are issues that will need to be greatly clarified and solidified. Without that, the Bill could be quite dangerous.

My hon. Friend is right to point out the dangers of the thin end of the wedge. The distinction between the market that we are talking about and any of the others to which he alluded is that there has been a Competition Commission report on the former, and that report said that there was a specific set of problems. As to whether he is willing to accept the conclusions of that report, I doubt it, as I have listened to his earlier remarks. It is

important to say that I would not wish to extend the principle to any market that had not been the subject of a Competition Commission report that reached similar conclusions; I agree with him that such a move would be an extremely dangerous thin end of a wedge, and could give rise to grave concerns in all parts of the House.

The second point—we have already discussed it, so I will not take up too much of the House's time on it—is the question of whether the ombudsman should be in or outside the Office of Fair Trading, or at arm's length from it but within it, or whatever. It seems from the remarks of the hon. Member for Ynys Môn that we are substantially agreed on the importance of independence; there were nods all round when we discussed the matter in his speech, so I will not belabour the point. I should just say that I suspect that there is quite a lot of detailed discussion to be had—again, in Committee—about how we achieve that independence. There may be some discussion about the best kind of institutional architecture to achieve the aim on which we are all agreed. That is a point for another day.

I hope that it is now clear that the Conservative party is in favour of the measure in principle. There are a few items of detail to consider, but they are very important; I am sure that the hon. Member for Ynys Môn, who is the promoter of the Bill, does not expect a blank cheque from anybody. However, we are broadly supportive. We think that the move is good and will advance the cause of both supermarket suppliers and consumers, if done in the right way, and we therefore look forward to the Bill making progress.

11.33 am

Philip Davies (Shipley) (Con): It is a pleasure to follow my hon. Friend the Member for Weston-super-Mare (John Penrose), who made some telling points—points by which I was heartily encouraged. I was certainly more encouraged by his speech than by some of the earlier contributions.

We have already been round the houses somewhat in a topical debate that took place on the issue on 21 January. However, with your permission, Mr. Deputy Speaker, I would still like today to make some of the points that I made in that debate. I am used to many of my contributions falling on stony ground, but to say that that speech clearly fell on stony ground would be an understatement, so it appears necessary to reiterate some of the points.

It seems that a depressingly familiar approach has been taken. We stand in this House pontificating about things of which we have absolutely no knowledge. That appears to have been done in spades this morning. The hon. Member for St. Ives (Andrew George) made the point that the Competition Commission had looked into the issue in more detail than I had. He may or may not be right about that; other people can judge. However, although in this debate I have no interest to declare, I would like to think that I have some experience to declare, having worked for a supermarket chain for 12 years before entering Parliament. I would like to think that I do have some knowledge of the industry.

I would also like to think that I have some knowledge of the problems to which hon. Members referred, given that my stepfather was a dairy farmer who went out of business because it was no longer financially viable for him to continue dairy farming. I would like to think that I have some knowledge of that side of the equation, too. It is for others to decide whether the Competition Commission looked into the issue in more detail than I have done, but I hope that hon. Members will acknowledge that I do at least have some knowledge of the supermarket industry; given some of the contributions made, it would appear that some hon. Members who have spoken do not.

We need to start with basics. I do not know what it is about this country, but we seem to have an obsession with knocking anybody or anything that happens to be successful. If anything is successful, we want to cut it down to size and pull it to pieces. The supermarket industry is one of the most impressive industries in this country. We should be immensely proud of it; it has achieved so many things, including for consumers by lowering price. In fact, the Competition Commission itself said:

> "Food prices declined, in real terms, by around 8 per cent between 2000 and August 2007…This decline in real food prices is likely to have delivered significant benefits to consumers as shopping bills for the same basket of goods would now be lower in real terms than was the case seven years ago."

That is one of the great legacies of supermarkets in this country.

Mr. Roger Williams: If the hon. Gentleman looks at those figures, he will find that the decline in farm-gate prices was far greater than the decline in retail prices, and that leads one to suppose that the supermarkets were maintaining or increasing their margins while putting pressure on the smaller producers.

Philip Davies: The hon. Gentleman is completely wrong about that. Anybody who knows anything about the supermarket industry, and particularly those who have worked in it, know that it is one of the most—if not the most—competitive industries in this country. My time working for Asda showed me that it was based on a particularly simple formula: increase volumes and reduce margins. What the hon. Gentleman said is therefore completely and utterly wrong. What supermarkets have been doing year after year is reducing their margins and increasing their volumes. That is what has delivered lower prices.

Milk is a prime example. Perhaps the hon. Gentleman will tell us what huge profit margin he thinks supermarkets have when selling milk. Actually, they do not have a huge profit margin; milk is one of the most competitive products sold in supermarkets. Profit margins for supermarket retailers on products such as milk are very low indeed, if not non-existent. The idea that farmers are suffering on the back of huge profit margins for retailers is simply wrong.

John Penrose: Without wishing to intervene in the discussion about milk—that topic has been very fully debated, not just here but in many other forums—perhaps one of the reasons why there is a disconnect between what my hon. Friend is saying and what was said in the previous intervention is that there are, of course, other players in that supply chain. I am thinking particularly of some of the dairy firms. There is a degree of finger-pointing going on between supermarkets and some dairy firms, on the subject of who exactly is getting this notional extra margin that everyone thinks may be out there somewhere. Everyone is saying, "It's not me, guv; it's the other lot."

Philip Davies: My hon. Friend is right. I reiterate that people should not presume that just because the farmers have struggled on a particular product, the consequence is that the supermarket has a huge profit margin on that product. There are, as he says, others involved.

Albert Owen: What the hon. Member for Weston-super-Mare (John Penrose) said in his intervention is right. An ombudsman would not point the finger, but look to see where the problem lay and could deal with it. That is the point. If the hon. Member for Shipley (Philip Davies) had listened to my opening remarks, he would know that I talked about the whole supply chain, not just the supermarkets, and I was not simply knocking the supermarkets. If there is an injustice in the supply chain, it should be rectified. I am sure he cannot disagree with that.

Philip Davies: The only possible worthwhile consequence of an ombudsman is that the suppliers will be paid more than they are now. If that is not the consequence of an ombudsman, there seems to me to be no point in anyone here proposing one. In view of the small profit margins that supermarkets run to, any increase that goes to any part of the supply chain will inevitably be passed on to the consumer.

A ludicrous argument has been perpetuated today, most notably by the hon. Member for St. Ives, who suggested the apparently painless panacea of a grocery ombudsman—the cost will be X million pounds a year—which will be of great benefit to the supplier, to the supermarket chain and to the consumer. What kind of drivel is that? The system cannot possibly have all those consequences.

If, in a debate in the House, hon. Members were to say, "I want to see suppliers paid more by supermarkets, and I think that is a legitimate aim," and if they acknowledged that that would lead to an additional cost to the consumer and/or to the supermarket, we would at least be having a frank and honest debate, and I could agree or disagree with that. But for people to stand up and say, "We're going to have an ombudsman that will cost X amount of money, and the supplier will benefit, the supermarket will benefit and the consumer will benefit," is treating everybody as if they were utter idiots. That scenario is just not possible. It is some kind of dream world.

I urge hon. Members to be clear about the consequences of setting up an ombudsman and to have the courage of their convictions. If they believe in the principle of an ombudsman to give more money to suppliers from retailers, they should at least be open and honest about what the full consequences of that policy would be.

I was making the point that in this country, we seem to want to knock successful industries. It is important to realise why supermarkets have become so successful. Like other successful businesses, supermarkets have become successful for one main, overriding reason—they look after their customers. Every business that is successful has achieved that status because it looks after its customers and looks after its staff. Any organisation that looks after its customers and its staff will be successful. All failed businesses have two things in common—they do not look after their customers or their staff.

What supermarkets have done, incredibly successfully, is provide their customers with what they want, at a time when they want it and at a price that they are prepared to pay for it. There is no magic formula. There are no black arts in the front row, as was mentioned earlier. It is a simple formula for success. Why on earth would we want to try to stop supermarkets being successful and doing what they do so well—looking after their customers?

Another myth is that supermarkets make big profits only because they have a terrible relationship with their suppliers and screw them into the ground at every opportunity, and therefore that we need an ombudsman to intervene and stop that practice. That might be the populist view out there and it might sound perfectly plausible, but in the real world, no supermarket could even begin to work on that basis.

As my hon. Friend the Member for Weston-super-Mare made clear, a supermarket can be successful only if it has some product on the shelf. A supermarket does not become successful by selling fresh air. By definition, particularly in such a competitive marketplace, one of the things that supermarkets must always be conscious of is having a good relationship with their suppliers. They need a good relationship with their suppliers because, unlike other industries, food retailing is very difficult to predict. Knowing how much stock to have on the shelves on any given day is not easy.

We all go to the supermarket—I am as guilty as the next person—and want to buy something that is off sale because the supermarket has run out. We go crackers about that because it is so inconvenient when there is nothing on the shelf. Knowing how much product to order on any given day is not easy and depends on all sorts of factors. One large factor that affects the amount of stock a supermarket has on its shelves is the weather.

On a hot sunny day, people will want to buy lots of bottles of lemonade. That might not be a problem, because the supermarket can have large quantities of that in stock and it does not go off. Also, in hot weather, people want to buy lots of salads and not so many vegetables. In colder weather or when it is raining, people want to buy more vegetables, not salads. The supermarket cannot have a huge over-stock of those things or they will go to waste.

Supermarkets must be very good at predicting the weather and trying to predict the demand for products on a particular day. Given the vagaries of the British weather and therefore the uncertainty about the quantity of a product likely to be sold on a specific day, it is essential that a supermarket has good, strong, close relationships with its suppliers, especially its fresh food suppliers, because it needs some flexibility in how many of a particular product they will supply at very short notice.

I can assure hon. Members that if a supermarket was not treating its supplier well or fairly, or was not giving it a sufficiently good income, the goodwill that the supermarket relies upon in order to get the right amount of product to the shop on a particular day would quickly go. The idea that supermarkets can thrive by screwing suppliers into the ground might be a plausible theory, but I am afraid it is one born of utter ignorance.

Mr. Drew: The hon. Gentleman said that without a smile.

Philip Davies: Indeed, because it is true. If the hon. Gentleman knew anything about the supermarket industry or had ever worked in it, he would know that that was true.

Mr. Drew: Some years ago the Environment, Food and Rural Affairs Committee undertook an inquiry into the so-called missing 4p in the milk industry. What that ascertained was exactly the pressure that the retailers exerted on the processers, who then exerted it on the producers. Is he saying that our report was completely wrong?

Philip Davies: I suspect that it probably was not brilliant. I will not say that it was completely wrong. Most things have an element of truth in them and the rest is made up to suit the prejudices about the subject. But, of course, nobody here is saying that supermarkets are not tough negotiators. Of course they are, but suppliers are tough negotiators, too. Anybody who thinks that suppliers just roll over and do as they are told is living in a fantasy land.

If Labour Members want to start tangling with suppliers such as Mars, Pepsi and Procter & Gamble because they think that they are an easy target, I say to them, "Please feel free. Set up your own supermarket and see how far you get with them, because you'll find that they are very tough cookies, indeed." Why on earth the hon. Member for Ynys Môn (Albert Owen) wants to waste time setting up an ombudsman to support companies such as Procter & Gamble, Mars and all the other big multinational companies, many of which have marketing budgets that supermarkets could only dream of, is beyond me. Some people might need help in the world, but Procter & Gamble does not.

Mr. Drew: Can the hon. Gentleman explain why his own Front Benchers think that the proposal is such a good idea?

Philip Davies: No, I cannot. It does not surprise me in the slightest that the Labour party is in favour of setting up a grocery ombudsman, because we all know its modus operandi: it has to stick its nose into everything; it does not trust anybody to look after their own interests; the state knows best and has to protect everybody—even, it seems, big multinational companies; and the Government have to intervene in every nook and cranny of everybody's lives.

Equally, it comes as no surprise to me that the Liberal Democrats are in favour of the proposal, because they have detected—no doubt in their focus groups—that they might get two and a half or three extra votes out of doing so in seats that they need to win at a general election. As we all know, the Lib Dems will say absolutely anything if they think that, on the back of it, there are two or three extra votes to be gleaned in a marginal seat.

On the point behind the hon. Gentleman's intervention, I must say that it is incredibly curious and, equally, disappointing that a Conservative party that is supposed to be against Government-inspired quangos and Government intervention—that wants to try to let people get on and run their own lives—is in favour of a grocery ombudsman. I am afraid that I cannot offer any explanation for that, other than the contribution from my hon. Friend the Member for Weston-super-Mare, on the Front Bench. I believe that my Front Benchers are grossly mistaken, and that their support for the proposal is very un-Conservative.

Albert Owen: The hon. Member for Weston-super-Mare made a logical response to the Bill. It was not about three and a half votes in Liberal constituencies or minorities on the fringe; it was about a whole body of our constituents who support the proposal. I am clear about where the hon. Member for Shipley (Philip Davies) stands on the matter of the ombudsman, and about how far away his stance is from that of his Front Benchers, but the code was set up because of market failings, so does he accept the need even for a code?

Philip Davies: I am not a big fan—*[Interruption.]* I am going to answer the question. I am not a big fan of the code, but it is in place and there is nothing that I can do about it. It is far too stringent and it goes far too far, but its existence knocks out completely the argument for an ombudsman, and we will return to that point later. However, it is incredibly curious that my hon. Friends are in favour of the ombudsman. It makes no rational sense, and I shall come back to the reason why an ombudsman is not a good idea—whatever side of the argument one happens to take.

On suppliers, I shall expand on my intervention about offers on the hon. Member for Llanelli (Nia Griffith). Owing to a few misapprehensions, the hon. Member for Ynys Môn may well think that many people in the country are in favour of setting up an ombudsman, and if those misapprehensions were cleared up that support might no longer exist. The idea that supermarkets insist that suppliers introduce and pay for "buy one get one free" deals is, frankly, out of cloud cuckoo land. In fact, suppliers fall over themselves, saying to retailers and supermarkets, "We want to do a 'buy one get one free' on our product," and, "We want to do this product at 'three for the price of two'."

Many companies, such as Procter & Gamble and Mars, introduce such special offers because of their colossal marketing budgets. They want people to try their product, and they judge, probably rightly, that consumers will do so if it is part of a special offer, such as "buy one get one free". The companies hope that, when the offer ends, people will have formed the habit of buying that product and will continue doing so. Such offers are inspired not by the supermarket but by the suppliers, which want more people to buy their products. It is a marketing strategy carried out by the supplier for the benefit of the supplier.

My experience at Asda is in direct contradiction to what the hon. Member for Llanelli said. Things might well be different now because it is five years since I left, but during my time there, when suppliers came to us saying that they wanted to do a "buy one get one free" or a "three for the price of two" offer on their products, we said that we would prefer it if they did not. This is not a state secret. Rather than having a special offer that applied for only one week or month, meaning that a customer would have to have the pure luck of being in at the right time to take advantage of it, we would have preferred a permanently lower price.

We would ask suppliers whether they would be prepared to invest the money that they would have put into a special offer in a smaller but more permanent price reduction. We thought that that would be better for our

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customers—particularly, I might add, for pensioners who lived on their own and might not want two products for the price of one or three for the price of two. They would prefer a permanently lower price. The idea that supermarkets force suppliers into making special offers is completely and utterly wrong.

I come back to the intervention made by the hon. Member for Ynys Môn. If people realised the things that I have mentioned and if the myths that have been built up were exposed, perhaps his constituents would not be so keen on a grocery ombudsman. A lot depends on how the question is framed. If we say to people, "Nasty, big, terrible supermarkets are screwing suppliers into the ground. Do you think that there should be an ombudsman to try to referee that relationship?", of course people will say yes. However, if we say, "An ombudsman is going to be introduced and the upshot will be higher supermarket prices," a different answer might be gleaned from those same constituents. I am not entirely sure that the public would support a grocery ombudsman when they realised the full facts of the matter and the full implications.

The hon. Gentleman mentioned the groceries supply code of practice, and I want to spend a bit of time on that. I should set the scene. We have to realise that supermarkets are already the most regulated part of the food sector. There has been a code of practice for the four largest grocery retailers since 2002. The new code, which came into effect only on 4 February, if my memory serves me, will apply to the 10 companies that cover more than 90 per cent. of the groceries sector by sales.

It seems to me that hon. Members here do not understand the full implications of the new code, which builds on the code that was already in place. The new code adds a requirement to put all agreements in writing within three days of the agreement's being made. That is a huge undertaking for a supermarket. The average Asda store, which is what I know most about, will probably have in the region of 40,000 products on sale at any one time, so putting all the agreements in writing within three days is a big commitment.

The new code puts a prohibition on retrospective changes to agreements, which was one of the points made by hon. Members. The Competition Commission considered that such changes were the principal manner in which excessive risks or costs could be transferred from retailers to suppliers, but it has to be pointed out that the changes are prohibited even when they are to mutual advantage. A retrospective change to an agreement can sometimes be of benefit both to the retailer and the supplier. For example, if an order for extra stock is made, that may well be to the benefit of the supplier. However, even those changes are prohibited. The code imposes a prohibition on charging suppliers for shrinkage. The Competition Commission believed that the retailer was best placed to control the risk of shrinkage and minimise losses. The code has an overarching "fair dealing" provision, which the Competition Commission considered balances the need to curtail unreasonable behaviour on the part of retailers with the need to allow a measure of commercial flexibility. It states that a retailer may only de-list a supplier for genuine commercial reasons, and expressly not for exercising its rights under the code.

In response to an intervention by my hon. Friend the Member for Christchurch (Mr. Chope), the hon. Member for Ynys Môn talked about anonymous complaints, and the hon. Member for Hendon (Mr. Dismore) said that anonymous complaints were to be welcomed because suppliers would be driven into the ground by the nasty, unscrupulous supermarkets if they made it clear that they had complained. However, as I said, the code clearly states that a retailer may only de-list a supplier for genuine commercial reasons, and expressly not for exercising its rights under the code of practice.

I am afraid that these concerns are completely null and void, because such practices are already banned under the existing code, which is overseen by the OFT. That means that any supplier who feels that they have been badly treated by the supermarkets can go to the OFT to say that the code has not been abided by. The OFT already provides independent, effective scrutiny of the code whereby suppliers can raise their concerns and grievances. When the OFT commissioned research on the previous code in 2005, it found that, by and large, supermarkets were compliant with the code, and found no evidence that disputes between supermarkets and suppliers were leading to any significant impact on competition in this market.

Even if one is in favour of all this intervention and the more draconian parts of the code, setting up an ombudsman is a solution looking for a problem, because the solution is already there—it is called the Office of Fair Trading, which oversees the code that everybody signed up to. Given what hon. Members said earlier, it seems that they support the code of practice that has been agreed. Why do we need an ombudsman when the OFT is already there to deal with any complaints? It is a complete and utter waste of time. We hear hon. Members on both sides of the House saying that we need better regulation and smarter regulation, and that we do not want excessive regulation, yet they are proposing to set up an additional body that duplicates the existing role of the OFT with regard to the grocery supply code of practice. That is completely and utterly pointless.

What would happen in the real world if we had a grocery ombudsman? That was considered by Professor Lyons, who was one of the panel members during the Competition Commission's investigation, and one of the two panel members who worked on the supplier issues work stream. The hon. Member for Ynys Môn said that the findings of the commission were clear, but not unanimous. He may well think that, but I would not concede that they were clear. Professor Lyons is a professional economist with particular expertise in this field. I would be so bold as to say that he has more expertise than those who have contributed to this debate. It therefore seems to be particularly notable that it was Professor Lyons who dissented from the majority view on the panel and objected to the proposal for an ombudsman. The commission's report states that Professor Lyons

"believed that the Ombudsman would be counterproductive...He was concerned that the Ombudsman may find a role 'proactively' representing the interests of suppliers, including global manufacturers and large intermediaries, which he considered would reduce the benefits of competition."

He believed that an independent ombudsman, as proposed by the hon. Gentleman, would be

"susceptible to external pressures and regulatory creep."

I could not put it better myself.

Anyone who lives in the real world knows exactly what will happen. The ombudsman will not sit there for a year, at the cost of x million pounds, and at the end of it say, "During the course of the previous year, I can report that I had nothing to do." That is not how that kind of quango operates. If nothing is reported to it, it will go out and stick its nose into matters on which nobody has reported a particular problem. That was clearly what Professor Lyons concluded.

The OFT has previously reported that it could not see any material breaches of the supermarket code of practice, so we can presume that the same thing will happen with the new code of practice. If an ombudsman is set up and the supermarkets stick faithfully to the new code of practice, does anybody here seriously believe that the ombudsman will produce a report each year saying, "In the course of the last year I did nothing. I have absolutely nothing to report and I do not envisage doing a great deal for the next year either"? If anyone wishes to intervene to say that that is what they expect, I will be delighted to take their intervention. Now is their opportunity.

Andrew George *rose—*

Philip Davies: I have one taker.

Andrew George: The hon. Gentleman prays in aid a professor who is entitled to his opinion. There is a debate about this matter, and as the hon. Member for Ynys Môn (Albert Owen) made clear, Professor Roger Clarke from the Cardiff business school has undertaken a deep study and takes a contrary view. His paper, which was published last year, concluded clearly that the introduction of an ombudsman would protect the interests of shoppers and would

"lead to more choice, better quality products and lower prices."

Of course there is debate among academics, just as there is in the Chamber. The hon. Member for Shipley (Philip Davies) is entitled to his view, just as others are to theirs. There is a debate, and he seems to have drawn his own conclusions, which is fair enough.

Philip Davies: I note that the hon. Gentleman did not take up my offer to say what he thought the ombudsman would do, so I rescind the statement that I had one taker. It seems I had none. He says that we are having a debate, but if it were not for me and my hon. Friend the Member for Christchurch, we would not be. As my hon. Friend made clear earlier, we have yet another cosy consensus in the House. Nobody wants to stand up and say something practical, because they think some people might be opposed to it or offended by it.

As my hon. Friend made clear, the history of cosy consensus in the House is not happy. He gave a list of examples, and I will add a couple more if he and you, Mr. Deputy Speaker, will allow me. I believe the Child Support Agency was supported by all parties, and it has been a complete and utter disaster. I might even add our membership of the exchange rate mechanism, which everybody thought was a marvellous thing but which had catastrophic economic consequences for this country. We do not accept that a cosy consensus between the Front Benchers guarantees that something is right. Indeed, I share my hon. Friend's view that a cosy consensus in this place leads to the inevitable consequence that something is wrong.

We have clarified that we do not believe that the ombudsman will sit and do nothing even if there is nothing to do, and that he will, as Professor Lyons said, find a proactive role in representing suppliers' interests, even when no particular problems are reported to him. It was interesting that the hon. Member for St. Ives was so dismissive of Professor Lyons. Contributors to the debate have said time and again that we need the ombudsman, not because they think so or have evidence or know what they are talking about, but because the Competition Commission said that we need one. Yet the hon. Gentleman was quick to discount the opinions of Professor Lyons, who was one of two panel members on the Competition Commission who examined the supplier issue work stream. Why was the hon. Gentleman so quick to dismiss him while praying in aid the body on which he served? I would have thought that his views were particularly relevant.

We know exactly what will happen. The ombudsman will start sticking his nose in and the only possible consequence of that interference will be increasing the cost to retailers of the products that they buy from the suppliers. If that does not happen, there is no point in the Bill. The inevitable further consequence is higher prices in the supermarket. I hope that those who support the Bill will make it clear that they are happy with higher prices. It would be helpful if they said by how much they were prepared for prices to increase.

The hon. Member for Ynys Môn said that the ombudsman would cost around £5 million and that that represented 0.0007 per cent. of sales in supermarkets, or something along those lines. I am sure that he will correct me if I am wrong, but I have not seen a limit on the cost of the ombudsman in the Bill. Indeed, as I made clear in an intervention, the exact opposite applies because the measure would give the ombudsman free rein to appoint as many staff as he deemed necessary to carry out his duties. Instead of a curtailed minimal cost, we are invited to support an open-ended cost so that the ombudsman is free to build his empire and make it as big as he wishes.

Albert Owen: The hon. Gentleman is trying to confuse the House. The Competition Commission's report makes clear the cost to the retailer. It has been estimated at £5 million, which is 0.005 per cent. of the sales of the some of the largest retailers. The only variant would be the number of complaints about the retailer. The formula is in clause 12—I am sure that he has understood that. However, the setting-up costs would, of course, be separate.

Philip Davies: I can do no better than read from the Bill, then people can make up their own minds about its implications. It states:

"The Ombudsman may appoint staff which the Ombudsman thinks are necessary for the fulfilment of the Ombudsman's functions."

People can interpret that as they wish. I interpret it to mean that the ombudsman may appoint as many staff as he deems necessary to carry out his job. If he wants to start empire building—I suspect that that will happen

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because that is what happens with all such quangos—the Bill would give him or her an open-ended opportunity to recruit as many people and make the empire as big as they see fit. I have quoted from the Bill—I do not intend to mislead anybody; people can make up their own minds.

First, the Bill provides for an open-ended cost for setting up the ombudsman. So that we know where we stand, we must always be clear that, when we refer to cost, it will ultimately be borne by the consumer. The hon. Gentleman estimates that the cost to the consumer of setting up the ombudsman will be £5 million—that limit is not in the Bill, and he might wish to consider introducing it in Committee—but that is not the cost that consumers need to worry about. The cost that consumers ought to be worried about is the higher prices that they will be expected to pay as a result of the ombudsman's decisions.

The grocery market in this country is worth in the region of £130 billion a year. What extra moneys do we expect supermarkets to pass on to their suppliers as a result of the ombudsman's intervention? Let us be modest and say that suppliers will get a 1 per cent. increase in their income from supermarkets as a result of the ombudsman being set up. I am sure the hon. Gentleman had something much more ambitious than 1 per cent. in mind, but based on the size of the grocery market at the moment—it might grow—that would mean that suppliers could expect a further £1.3 billion. Who will pay that extra cost? The consumer will pay. Even if the grocery ombudsman delivers only a 1 per cent. increase in income for suppliers as a result of the empire that will be set up, that will cost consumers in this country £1.3 billion. What a surprise that nobody mentioned that earlier and told the public what the cost would be to them through higher shopping bills.

We are in the midst of a recession. People are losing their jobs and struggling to get by, and many fear for the future, yet hon. Members, who seem to be occupying an ivory tower today, seem happy to pass billions of pounds of costs on to their constituents when they can least afford it.

Mr. Roger Williams: The hon. Gentleman has picked a figure of 1 per cent. Does that mean that supermarkets are underpaying suppliers by £1.3 billion as a result of their unfair practices? Is that the assumption he is making with the figures he has picked out of the air?

Philip Davies: I shall try to speak more slowly for the hon. Gentleman's benefit. Those who propose the ombudsman take the view that supermarkets are screwing suppliers into the ground. Therefore, from their perspective—I do not believe that an ombudsman is necessary—the ombudsman will be useful only as a means by which to divert more money from the supermarket to the supplier. I am merely following through the consequences of that for our constituents, namely by saying that there will be an increase in prices.

I suspect that the hon. Gentleman has a more ambitious figure than 1 per cent. in mind. I am simply illustrating what every 1 per cent. more that goes from the supermarket to the supplier will mean for the consumer. He might think that a 5 per cent. increase is necessary. If so, I hope he tells people that that would mean that they will be paying an extra £6.5 billion a year in their shopping bills.

Mr. Williams: I will try once more. The hon. Gentleman says that the supermarkets are not trading unfairly in any way. Presumably therefore, in his analysis, the ombudsman would not make any award or decision that increases what supermarkets pay to suppliers. However, he has given the figure of 1 per cent., which assumes that there is unfair trading to the tune of £1.3 billion.

Philip Davies: This is very hard work. I will try to explain my point to the hon. Gentleman for the third time. Perhaps detention and a bit more homework is required. I will try to give him one more opportunity to grasp this point. The only reason to set up the ombudsman is to make supermarkets give more money to suppliers—if he has a different reason for setting up the ombudsman, perhaps he could tell me what it is. However, I presume that he is in favour of an ombudsman because he thinks that it will deliver more money from supermarkets to suppliers. The fact is that every 1 per cent. extra that goes from the supermarket to the supplier will mean a £1.3 billion cost that will ultimately be borne by the consumer.

If the hon. Gentleman believes that setting up the ombudsman is such a good thing, and that it is a price worth paying, he should have the courage of his convictions and say so. To try to pretend that any extra money that goes to the supplier from the supermarket will not cost the consumer or the supermarket anything—which seems to be the length and breadth of the argument that we have heard so far—is ridiculous. People are not stupid, and they can see that that is a ridiculous argument. If anybody gets extra money, it must come from someone else, and in this case, it will come from the consumer. Those consumers are our constituents. All I am urging hon. Members to do is to be up front with their constituents about what they are proposing, instead of just telling them the benefits that will occur. Why do people in this country have so little faith in Members of Parliament? It is because they think that their MPs are not straight with them and do not tell them all the facts. People think that MPs do not tell them the bad news as well as the good news. Let us try to put that right, be open and up front with our constituents and tell them the full consequences of introducing the ombudsman—higher prices at the checkout. That is an inevitable consequence of the Bill, and it is very depressing that hon. Members will not be up front with their constituents.

I return to the point made by my hon. Friend the Member for Christchurch in his all-too-brief speech. He hit the nail on the head when he described the Bill as fiddling while Rome burns. We have hon. Members supposedly championing our hard-pressed suppliers today—we keep being reminded how hard-pressed they are—and yet those same Members are the greatest advocates of piling more and more costs on to those suppliers, including employment costs, additional regulations and other burdens. For instance, the cost of EU regulations drives many companies, and farmers, to despair. The biggest issues facing many suppliers are the increase in regulation, red tape and employment costs. Those are driving suppliers into the ground and are far more important than their relationship with the

supermarkets. But those hon. Members who act as the self-appointed champions of the suppliers are also the greatest cheerleaders for the extra regulation, costs and taxation that is imposed on them. I suggest that it would be more helpful to the suppliers to consider those issues.

Who would be protected by the Bill? It would not be many of the small producers and farmers. Instead, it would be large multinational companies that will use the threat of this legislation to try to bolster their negotiations with supermarkets. Those companies make hundreds of millions of pounds of profit every year, and the effect of the ombudsman will be to deliver even bigger profits to those big multinational suppliers at the expense of the consumer who will have to pay more. I am sure that the hon. Member for Ynys Môn, as a good Labour man, believes in the redistribution of wealth, but it is beyond me how on earth he can justify redistributing wealth from some of the poorest of his constituents, who go to supermarkets specifically because they deliver low prices—they might be on fixed incomes, and it might be all that they can afford—to some very big, multinational suppliers. I have no idea on what basis that could be considered fair, but it is not my definition of fairness. It would do the poorest of his constituents a great disservice by wanting to line the pockets of some very big, multinational companies. That is the only possible upshot of an ombudsman.

Following on from the point about suppliers, I must point out, because a great disservice is being done to supermarkets today, that supermarkets are some of the most proactive organisations in getting small suppliers up and running, taking on their products and helping them to get started and to grow and thrive. Without the actions of many supermarkets, many small suppliers would have gone down the pan an awfully long time ago. I remember, from my time at Asda, receiving a thank you letter from a bakery, I believe—either way, it was a small business—to A[illegible] for helping and supporting it through a difficult period. Without that help, it would not have been able to survive and flourish. The idea that it is a one-way street of supermarkets trying to drive smaller suppliers and retailers into the ground is not borne out by the facts.

In many cases, supermarkets go over and above what is expected of them. I think I am right in saying—I will happily be corrected—that Morrisons has introduced a scheme under which it pays its smallest farmers within seven days. That is a fantastic initiative that is doing an awful lot to help—I presume—those small suppliers that need rapid cash flow. Given how the Government sometimes treat their suppliers, it does not behold people in the House to want to set up a Government-inspired quango to lecture retailers, which are often good at paying their suppliers quickly, on how they should be looking after them. In many cases, food retailers and supermarkets are some of the best in the industry at looking after their suppliers and paying them promptly. It would be wrong for people to be left with the impression, from this debate, that supermarkets are among the worst offenders, when they are not.

I do not intend to delay the House further. On all these issues, particularly where we have a consensus between the Front-Bench spokespeople, it is important to hear the alternate view. There is always another side of an argument, but unfortunately in this place it is sometimes hard to find somebody who will stand up and put it, if people think that the proposals are popular. However, it would do a great disservice to a very successful industry, of which we should be incredibly proud—the supermarket industry—were somebody not to speak up and put the other side of the argument. To try to give the impression that supermarkets are mean-spirited organisations—they are not—would be unfair to the millions of people who work in the food retail sector and supermarkets and who are rightly proud of the companies for which they work and of how their companies look after their staff, suppliers and customers. It would be grossly unfair on consumers were we not to put the other side of the argument, because the one thing that I can guarantee is that, if a grocery ombudsman is set up, there will be only one loser at the end of the day: consumers—our constituents—who are often the poorest people in our constituencies. They go to supermarkets because they have the cheapest prices, and they will be the ones who suffer as a result of grandstanding by some hon. Members in the House who know very little, I am afraid, about the industry to which they want to do so much damage.

12.30 pm

The Minister for Regional Economic Development and Co-ordination (Ms Rosie Winterton): I congratulate my hon. Friend the Member for Ynys Môn (Albert Owen) on raising an important issue. I think we have all noted his genuine concern and desire to protect the businesses that supply supermarkets with grocery produce, and his wish to ensure that commercial relationships in the sector are conducted fairly. He has been a champion of the cause, and his speech demonstrated the passion with which he has pursued it.

I pay tribute to my hon. Friends the Members for Stroud (Mr. Drew) and for Llanelli (Nia Griffith), and to the hon. Member for St. Ives (Andrew George), who has also been supportive. The hon. Member for Weston-super-Mare (John Penrose) raised points with which I shall try to deal later. It was obvious that the hon. Members for Christchurch (Mr. Chope) and for Shipley (Philip Davies) held a different opinion, but they have form when it comes to issues such as this. Their desire to abolish the national minimum wage was an indication of their view that any interference from Government in the form of regulation intended to look after workers' rights was to be resisted at all costs. That is part of their philosophy.

Mr. Chope: If the Minister wishes to give my Bill a plug, can she please get it right? The Bill would enable people to opt out of the minimum wage, rather than abolish it.

Ms Winterton: That is a tremendously appropriate Bill to present during an economic downturn, I must say. It certainly shows where the hon. Gentleman is coming from on the protections that have been introduced for workers.

As for the Bill we are discussing today, I assure my hon. Friend the Member for Ynys Môn that the Government share his concern. The Bill provides for the creation of a grocery market ombudsman, and sets out a number of rules against which the ombudsman would monitor and enforce compliance with the grocery supply

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code of practice. As Members have said, the code was drawn up by the Competition Commission. It was one of the commission's recommendations following its market inquiry into the supply of groceries in the United Kingdom, which resulted in a report published in April 2008.

I thank the commission for its thorough examination of the issues, and for the hard work of all its staff during the investigation. I also commend it for producing the new code, and for its valiant efforts—sadly, they proved fruitless—to win the agreement of the largest grocery retailers to set up an ombudsman scheme voluntarily. Its investigation was exhaustive. I understand that it received more than 100 submissions from grocery retailers, and more than 600 from a wide range of suppliers, consumers and local authorities from all over the United Kingdom. Some 80 hearings were staged, involving all the interested parties, and a number of other meetings were held as well.

Mr. Nigel Evans (Ribble Valley) (Con): Can the Minister tell us how many submissions came from farmers or farm workers? As she will know, there are a great many farmers in my constituency. A problem in the past has been the driving down of the amount of money they receive for their goods, which is great for consumers but not for producers. In the long term, we need a little bit of fairness for both.

Ms Winterton: The hon. Gentleman makes a good point. What he describes is exactly what the Competition Commission was trying to get to grips with because there had been so many complaints. I do not know exactly how many farmers made representations, but I know from the speech made by my hon. Friend the Member for Ynys Môn that the National Farmers Union has been very supportive of the work that he and others have done.

In addition to the hearings, questionnaires, surveys and other industry publications were used and the commission also used its legal powers to ensure that other essential information was provided and could be taken into account. The result was a 270-page report containing more than 30 detailed appendices and, as I say, very important and valuable work. The inquiry concluded that although the market is generally working well, there are concerns about the long-term future of the supply chain.

The commission's main concern was about the exercise of buyer power by certain grocery retailers in respect of their suppliers of groceries, particularly through their adoption of supply chain practices that transferred excessive risks and unexpected costs to those suppliers. The commission was at pains to point out that the exercise of buyer power by grocery retailers is likely to have positive implications for consumers, especially where the competition between grocery retailers is effective, as consumers benefit through lower prices and this can also spur innovation in the supplier chain. However, the exercise of buyer power can raise concerns in certain limited circumstances.

The commission found that when, in the hope of gaining competitive advantage, grocery retailers transfer excessive risks or unexpected costs to their suppliers, the likelihood is a lessening of suppliers' incentives to invest in new capacity, products and production processes. The commission concluded that, if left unchecked, this would ultimately have a detrimental effect on consumers because it would lead to lower quality goods, less choice of goods or less product innovation. That is exactly the point that addresses the issues raised by the hon. Members for Shipley and for Christchurch, but I do not think they were listening to it—I can come back to it.

During the investigation the commission received details of 380 concerns from suppliers and supplier associations. Nearly half the concerns related to the transfer of excessive risks or unexpected costs from grocery retailers to suppliers, and one third related to requirements for retrospective payments or other adjustments to previously agreed supply arrangements. These practices were identified despite the existence of the supermarket code of practice, which had been drawn up following the 2000 broad-based investigation into grocery retailing conducted under the Fair Trading Act 1973. That earlier investigation highlighted the existence and operation of a group of practices that operated against the public interest in relation to the behaviour of five grocery retailers towards their suppliers.

At that time, the commission decided that any main party with more than an 8 per cent. share of grocery purchases for resale from its stores is, for the most part, able to control its relationship with suppliers to its own advantage, whereas the smaller multiples are not able to do so to anywhere near the same extent. The commission therefore specified that a grocery retailer with a national share of grocery sales of more than 8 per cent. should be required to comply with the code of practice. The supermarket code of practice was the result.

The original five grocery retailers identified by the commission were Asda, Safeway, Sainsbury's, Somerfield and Tesco. Somerfield was later found to have less than an 8 per cent. share and so did not become a signatory. Safeway was subsequently acquired by Morrisons, which agreed to be bound by the supermarket code as if it were a signatory. The OFT has overseen the operation of the code since its creation. It reviewed the code in 2004 and published an independent audit of retailers' compliance with it in March 2005. In addition to the audit, the OFT called for evidence to cover other aspects of the supply of groceries by grocery retailers that had a negative impact on competition.

The OFT decided in August 2005 not to refer the market to the commission. It reconsidered this decision following an appeal to the Competition Appeal Tribunal lodged by the Association of Convenience Stores, and it decided to make a reference in May 2006. One of the factors that persuaded the OFT to reconsider its decision was the existence of evidence to suggest that buyer power had increased since 2000, and that that power could have a deleterious effect on consumer choice.

When it completed its final report, the commission took evidence from a large number of parties and made a convincing case for the need for an independent body to monitor and enforce the code. However, the commission does not have the power to set up new bodies, and it sought over many months of discussions and consultations to obtain voluntary undertakings from retailers to establish an ombudsman scheme. Unfortunately, it was unsuccessful in that endeavour.

As a result of its inability to reach an agreement with retailers, the commission recommended in August 2009 that the Government take the necessary steps to establish

an ombudsman with the powers to enforce the code and to levy financial penalties on retailers that fail to comply with it. This chain of events culminated in the commission's market inquiry and subsequent report, which contained the recommendation that is the subject of the debate today.

The commission believes that the code will be much more effective if adherence to it is monitored by an ombudsman who can address the "climate of fear" the existence of which under the previous code of practice many of the suppliers mentioned. The Government have already announced that an ombudsman will be able to accept and investigate anonymous complaints. That is a crucial difference and one that paves the way for far more effective enforcement of the code. The commission has recommended that an ombudsman should be able to accept complaints from parties at every stage along the supply chain, rather than just from those who directly supply the supermarkets. Finally, an ombudsman will be able to investigate recurring complaints against a particular retailer. These important differences between the OFT's current role and the proposed remit of the ombudsman will give the new code real teeth and help to ensure that it is more effective than the one it replaces.

The debate has understandably concentrated on the mistreatment of some suppliers, but I strongly believe we should not lose sight of the fact that grocery retailers are doing a good job overall, as recognised by the Competition Commission in its 2008 report. One instance that has been highlighted is the fact that households are spending less of their income on food thanks to reductions in prices across a wide range of goods. The commission found that between 2000 and 2007, food prices declined in real terms by approximately 8 per cent. That continued a trend that the commission had observed in an earlier investigation, which showed a decline in food prices of 9.4 per cent. I am sure that we are all aware that prices have risen somewhat more recently, but that has been brought about by a number of different supply and demand factors. We also know that an ever-increasing number of consumers use supermarkets because of the convenience, choice and range that they offer. Consumers also benefit from a competitive market that offers good value for money.

Supermarkets are an important source of jobs and investment. Retail accounts for about 10 per cent. of gross domestic product, with groceries making up 50 per cent. of that and providing about 1.5 million jobs. Asda, which the hon. Member for Shipley has mentioned, is a good example. It is based in Leeds and employs tens of thousands of people in the region in its stores, its head office and the cluster of distribution and recycling centres in the Castleford, Pontefract and Doncaster areas. Its parent company, Wal-Mart, which is the largest retailer in the world, has created its international centre of marketing excellence at Asda house in Leeds. That is a tribute to the faith that that major company has in the skills and talent of the people of Yorkshire and the Humber. As the Minister for Yorkshire and the Humber, and as the MP for Doncaster, Central, I am very proud that our region has been chosen as the home of that centre of excellence.

Morrisons, another supermarket chain that has its headquarters in Yorkshire, plans to create 5,000 new retail jobs by the end of the year and will set up a new fresh food academy to offer training in retail craft food skills. It also has ambitious plans to increase the number of its staff who take part in its company-wide training scheme to 22,000 by April and to 100,000 by spring next year. Morrisons is believed to have one of the largest retail skills training programmes in the UK. It certainly deserves credit for its efforts to boost the skills of its work force, and I hope that its training targets will serve as an inspiration to other employers.

Tesco also makes a valuable economic contribution. It is one of the region's largest employers, with more than 12,000 staff in more than 100 stores across Yorkshire and the Humber, and it created more than 500 jobs in the region last year in new and extended stores. The Goole distribution centre has a straw-powered combined heat and power plant that can put energy back into the national grid. Next month, construction will start on a new store in Hornsea in east Yorkshire, creating 270 new jobs that will be available through Jobcentre Plus as part of the local employment partnership programme.

Making sure that we have a competitive and diverse retail sector that delivers value for money and promotes consumer choice is an objective that I strongly support. In my capacity as a Minister in the Department for Communities and Local Government, I am the Government's champion for markets. Since taking on that responsibility last year, I have seen how important it is that we do not allow consumer choice in a particular locality to be constrained by the dominance of a select group of large retailers. It is in everyone's interest to make sure that our town centres are vibrant, attractive places to visit and that they offer an interesting mix of large and small retailers. Traditional street markets are an excellent way of drawing shoppers into an area, increasing footfall and benefiting the shops and other businesses nearby. Markets are also a valuable testing ground for entrepreneurs with a good idea but a limited budget. A market stall is a good way of keeping overheads down while trying out new projects and growing a small business. That is why we have taken steps, through our town centre first policy, to promote retail diversity and to prevent local monopolies from developing.

The policy that we have instituted gives local authorities the tools that they need to preserve the character and individuality of town centres across the planning system. We have tried to create the right environment for diversity of retail outlets, and it is important to see today's discussion in the light of that, because the issue is about using a whole range of approaches to shape attractive shopping districts that everyone can enjoy; helping to safeguard the vitality of local communities; and making sure that there is not an over-dominance of one sector.

I welcome a code that has effective enforcement and that helps farmers and other producers to develop their business and contribute to their local economy in the way that I described. The recommendation that led to the commission's code of practice was designed to remedy exactly the kind of problems that smaller suppliers and smaller retail outlets can face. The code of practice strengthens and broadens the existing supermarket code of practice.

The new grocery supply code of practice, which came into force on 4 February this year, applies to all companies that are active in the sector and have an annual retail groceries turnover of £1 billion or more. Retailers such as Waitrose, Iceland, the Co-op and Marks & Spencer

[Ms Rosie Winterton]

will all be subject to the provisions in the code for the first time. It introduces independent, binding arbitration for the first time, and makes it clear that retailers may de-list a supplier—in layman's terms, stop trading with them—only for genuine, commercial reasons. A retailer cannot stop trading with a supplier simply because the supplier has complained that the retailer has not kept to the terms of the original agreement. That is very important, as many suppliers told the commission that they were reluctant to use the complaints process in the old code due to their concern that they might be identified, and because of the resulting likelihood of being de-listed by the retailers.

The new code also places the burden of proof on the retailer to demonstrate that where the supplier has complied with requests made, that was achieved voluntarily. It introduces an overarching fair-dealing provision, requiring retailers to act in good faith, and without distinguishing between formal and informal agreements.

In broad terms, the Bill introduced by my hon. Friend the Member for Ynys Môn seeks to enact the Competition Commission's recommendations, establishing an ombudsman to oversee the code that I have just described. As I stated at the outset, the Government are sympathetic to the Bill's objectives. The Bill seeks to establish the independent grocery market ombudsman; to provide funding for them; and to provide a duty to establish and publish procedures and guidelines for undertaking their work.

The Bill would also give the ombudsman responsibility for investigating and adjudicating on alleged breaches of the code, and grants powers to gather information, impose monetary penalties, award costs, and enforce monetary penalties and costs orders. In addition, it would require the ombudsman to give reasons for decisions. It would also provide for appeals against decisions and for the publication of reports on all complaints, as well as for an annual report on the discharge of its functions.

I shall be clear with the House about what we said in July 2008, when we set out our formal response to the Competition Commission's report. I quote:

"The Government notes that the CC will be creating a new strengthened and extended GSCOP and that the CC will be seeking undertakings from grocery retailers to establish a GSCOP Ombudsman to monitor and enforce compliance with GSCOP. The CC has recommended that if it does not obtain satisfactory undertakings within a reasonable period, BERR should take the necessary steps to establish the Ombudsman. Should this be the case, the CC also recommends that BERR takes steps to give the Ombudsman the power to levy significant financial penalties on the retailers for non-compliance."

The Government are also on record, in a reply to the hon. Member for St. Ives, as committing themselves to carrying out a full consultation before deciding on the way forward. I know that the hon. Gentleman met my ministerial colleague with responsibility for competition with a delegation from the Grocery Market Action Group, which he chairs.

The Government have listened to all sides of the argument relating to the introduction of a groceries ombudsman. The issue is not straightforward. There are many aspects that need to be carefully weighed up, but we have taken it very seriously. After careful consideration, the Government have recognised that there is a legitimate need for the grocery supply code of practice to be independently monitored and enforced. At the same time as ensuring effective enforcement of the code, we are keen to preserve flexibility in commercial negotiations between suppliers and retailers over prices and other commercial elements of the supply agreement.

We are determined not to place any unnecessary costs on business, particularly in a period of economic difficulty. That is one of the reasons why we are consulting on the scope, scale and responsibilities of the new ombudsman. We want to make sure that we get this right. The Competition Commission inquiry raised a number of complex and important issues for the groceries market, consumers and the wider economy. We are seeking views on the following issues: what powers the body monitoring and enforcing compliance with the code should have, in addition to being able to hear anonymous complaints; which existing bodies might assume these responsibilities; how the body should be funded; what the access arrangements should be for the new body; whether a sanctions regime should be introduced; and how might it operate alongside an appeals mechanism.

The consultation exercise is due to close on 30 April, and we hope to receive a large number of responses, encompassing as broad a spectrum of views as possible. No doubt many hon. Members in the Chamber will wish to respond to the consultation in as much detail as they have spoken this morning. I am sure that my hon. Friend the Member for Ynys Môn will be delighted to know that we have produced a Welsh language version of the consultation, which was published on 5 February. We want to ensure that the views expressed by respondents to the consultation are adequately reflected in the legislation that brings the ombudsman into being.

Because of the pressure and the hard work that many of my hon. Friends have put into ensuring that the Government are fully cognisant of all the important issues at stake, and because of the support from Members in other parts of the House, we support the principles of the Bill. I pay tribute to my hon. Friend the Member for Ynys Môn for all the work that he has done in introducing the Bill. We may need to table amendments to the Bill at a later date. However, the principles that he has encapsulated in it are exactly the right ones.

The debate has been very thorough, and some excellent points have been made, particularly by Labour Members. The principles in the Bill are a sound basis on which to proceed, and the Government are therefore content for it to go forward into Committee.

1 pm

Albert Owen: I shall briefly respond to what, as my right hon. Friend the Minister said, has been an excellent and, in many ways, measured debate. She was right to spell out the detail of the Competition Commission's findings, and I too support its work. It has done an awful lot of work over a long period, and that is to be welcomed.

I shall briefly make a couple of important points. The hon. Members for St. Ives (Andrew George) and for Weston-super-Mare (John Penrose) were clear that the fundamental point of this Bill is fair dealing, not price setting, and I too make that clear. The Bill is in the interest of supermarkets, as the hon. Member for St. Ives

said, and I believe that by embracing the ombudsman, they will have a charter to look to for the future. That is important.

My hon. Friend the Member for Stroud (Mr. Drew) rightly said that he, as a Co-operative party member, needs to lobby the co-operative movement harder, because, importantly, all the mutuals are now trying to break ranks and get on board with the ombudsman. It will not be long before the big four supermarkets come along with them.

The hon. Member for Christchurch (Mr. Chope) made a brief—by his standards—12-minute contribution. I did not agree with much of what he said, although he made a good attack on the common agricultural policy and Europe. Interestingly, he said that the consensus in the House was not good for legislation, but I think that on this occasion the consensus among the Opposition and Government Front Benchers is very welcome.

My hon. Friend the Member for Llanelli (Nia Griffith) is a champion of consumers and suppliers not just in her constituency, but in Wales, and a great supporter of farmers and, in particular, dairy farmers. The hon. Member for Weston-super-Mare is right—and I am happy to say it—that the Bill needs a little tweaking in Committee. We cannot include everything, but in Committee we will have to look at the issue of the OFT and where the ombudsman is housed. The safeguards that he asked for, however, can be added in Committee.

The hon. Member for Shipley (Philip Davies) seemed to say that just because he has worked in the industry, nobody else understands it, and that was disappointing. I did not boast about this at the beginning of the debate, but I have spent more years in retail than he has. We do not have to be experts on everything, however, because in this House we are generalists. We can understand what is going on; we can understand what is going on in the lives of our constituents; and we are here to be champions for them. I repeat: the Bill is not anti-supermarket; it is pro-suppliers and pro-consumers.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 44, Noes 0.

Division No. 100] **[1.3 pm**

AYES

Bottomley, Peter
Brown, Lyn
Burt, Alistair
Cairns, David
Campbell, rh Sir Menzies
Chapman, Ben
Corbyn, Jeremy
Dismore, Mr. Andrew
Drew, Mr. David
Evans, Mr. Nigel
Follett, Barbara
George, Andrew
Gerrard, Mr. Neil
Gove, Michael
Herbert, Nick
Hillier, Meg
Howarth, rh Mr. George
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Kaufman, rh Sir Gerald
Keetch, Mr. Paul
Khan, rh Mr. Sadiq
Kirkbride, Miss Julie
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mates, rh Mr. Michael
McCarthy, Kerry
McCarthy-Fry, Sarah
Merron, Gillian
O'Hara, Mr. Edward
Owen, Albert
Pearson, Ian
Penning, Mike
Penrose, John
Pound, Stephen
Rifkind, rh Sir Malcolm
Smith, rh Angela E. *(Basildon)*
Steen, Mr. Anthony
Taylor, Ms Dari
Taylor, Matthew
Waterson, Mr. Nigel
Williams, Mark
Winterton, rh Ms Rosie

Tellers for the Ayes:
Nia Griffith and Mr. Roger Williams

NOES

Tellers for the Noes:
Mr. Christopher Chope and Philip Davies

Question accordingly agreed to.

Bill read a second time.

Bill to stand committed to a Public Bill Committee (Standing Order No. 63).

Care Homes and Sheltered Accommodation (Domestic Pets) Bill

Second Reading

1.14 pm

Mr. Nigel Waterson (Eastbourne) (Con): I beg to move, That the Bill be now read a Second time.

It is a great pleasure to be able to introduce my Bill. I begin by thanking its sponsors, who, as you will see, Mr. Deputy Speaker, are a cross-party group. I particularly thank the hon. Member for Broxtowe (Dr. Palmer), who introduced a very similar Bill not long ago. I am grateful to him for all his help and encouragement on this Bill.

It is a staggering and depressing fact that about 38,000 healthy animals are put down every year simply because their owners are going into a care home or sheltered housing project and the rules do not allow them to take their pet with them. That is bad enough, but it is also estimated that a further 100,000 pets have to be given up for adoption for the same reason. Many become so distressed because of being abandoned by their owners that they eventually have to be put down. That is totally unacceptable in a civilised country. Many other countries, such as France and the USA, have laws aimed at allowing people to keep their beloved pets. Some enlightened councils in the UK, such as Wandsworth, have shown how positive policies can easily be brought in and have great benefits.

It is bad enough for someone to reach the point in their life at which they need to move into a care home or sheltered housing—it is a stressful moment involving a lot of upheaval and often distress.

Mr. Nigel Evans (Ribble Valley) (Con): Does my hon. Friend accept that as people become elderly and perhaps live alone, a pet is a friend to them and can keep them company? If they have to go into a home either because of failing health or because there is no one to look after them, the fact that they lose the friend that has been with them as a companion for many years will be even more distressing. We therefore need a change in the law to ensure that that does not happen.

Mr. Waterson: I am grateful to my hon. Friend. I know that he is a doughty campaigner in his constituency for older people and their rights.

It is important that we try to put a stop to this needless trauma for older people. I am particularly interested in the matter not simply because of my experiences as a local MP, or indeed as vice-president of Age Concern Eastbourne, but in my role as shadow Minister with responsibility for older people. All politicians talk about giving older people dignity and security, and a nationwide policy on pets could help lift one particular burden from many older people. We may look at the demographics. I believe some experts say that one in four babies born today will live to see their 100th birthday. The population is ageing and people are living longer and longer, so this problem will get more acute if anything.

Approximately 25 per cent. of all people over retirement age own pets at the moment. I am indebted to the Society for Companion Animal Studies, which has done a huge amount of work on the topic. Its research shows that the majority of care homes and sheltered housing complexes in the UK do not have pet policies. It is not the case that there is a rule that applies across the whole country that needs to be changed; the fact is simply that a lot of places have not even addressed the issue. That is what causes such distress.

Mr. Andrew Dismore (Hendon) (Lab): I greatly support the aims of the hon. Gentleman's Bill. Does he know what proportion of care homes have banned pets? I certainly agree with him about the importance of the matter, having recently visited a home in my constituency. An animal is not just good for the owner but becomes adopted by the care home as a whole and provides support and comfort for all the residents.

Mr. Waterson: I am most grateful for that intervention. The hon. Gentleman is right. Some charities—the hon. Gentleman may have come across them—bring pets into care homes for a couple of hours so that residents can pet and play with them. Clearly, there is a benefit from that. I cannot help him with the statistics, which are difficult to obtain. I suspect that one reason for that is that people have not thought through the policies—there is simply a knee-jerk reaction of, "Oh, we don't want the fuss and bother of a pet," with no distinction made between budgerigars at one end of the scale and Irish wolfhounds or rottweilers at the other.

In many cases, a blanket ban on pets is applied for no reason other than that the provider has not given the issue any serious consideration. That results in many older people being faced with little choice but to give up their pet. While some facilities may allow pets, few have an official policy on the subject. For example, the manager of a facility may be particularly animal friendly and happy to allow residents to keep pets, but what happens when that manager moves on? That ad hoc approach is extremely fragile. It does not present a clear position to residents, staff or anybody else.

A few months ago, I had the pleasure of speaking at the annual meeting of Sussex Housing and Care, which has many homes in and around my constituency. It had just been given the gold Community Animal Welfare Footprints for housing award by the Royal Society for the Prevention of Cruelty to Animals. It won the silver award in the previous year. It is a shining example of how care homes can strive for a policy that has a direct impact on the quality of residents' lives. Once such an organisation applies its mind to the issue, it often turns out not to experience many practical problems with it.

A constituent, Mrs. Maureen Martini, raised with me a related problem, which could perhaps be considered in Committee. She lives in a sheltered housing complex, which is well known to me. She has always owned dogs and she lost her last dog due to illness only in December. She wants to adopt another small dog and she is looking to adopt one that is already four years old. She finds that, although her landlord, the Anchor Trust, which seems to be one of the enlightened landlords, has a small pets policy, she cannot get the animal rescue centres to give her a small dog. They seem to impose their own rules and requirements on the availability of suitable pets. She says:

> "I am finding this very upsetting and frustrating...I have always kept a dog and it is routine for me to care for it, motivating me to go outdoors regularly which is something that I am missing very much. Providing company for me at home ... is also something that I am missing very much."

That is a typical case of an older person who can see the health benefits of having a pet.

According to the Pet Food Manufacturers Association survey, distress caused by the loss of a pet was observed by staff in 39 per cent. of homes that were sampled—an increase of 4 per cent. since Rowntree conducted a similar survey in 1993. Pets are an important source of physical, emotional and social support. They have proven health benefits for older people and can improve even cardiovascular as well as mental health. They are also a great antidote to loneliness, which can afflict so many older people. We know through the work of organisations such as Age Concern that one in four people of pension age suffers from depression at one time or another.

The figures that SCAS produced speak for themselves. Pet owners are 40 per cent. less likely to die from a heart attack and 30 per cent. less likely to have a stroke. They have 30 per cent. less risk of developing heart failure and are more likely to survive a heart attack or stroke. Moreover, routines of pet care are linked with routines of self care. Pets are recognised as one of the key factors in promoting well-being, according to Age Concern and the Mental Health Foundation. As in my constituent's case, pets encourage greater exercise and activity, and older pet owners score more highly on activities of daily living.

The National Ageing Research Institute in Melbourne, Australia showed:

"Aged and disability service providers believe that companion animals play an important role in clients' lives in the key areas of companionship, health and well-being. Companion animals were perceived as offering a significant contribution to the quality of life…The positive pet person relationship in the aged and disabled sector is a valuable link that must now be not only recognised but acted upon by the government, health and community care sectors".

Of course, there are reservations, and I imagine the Minister will raise some of them—I hope she does not do so extensively because we do not want to run out of time for this important legislation. For example, an animal could outlive its owner. I gather that that does not happen very often, and that when it does, the owner's friends or family, or indeed other residents, often agree to look after it. As the hon. Member for Hendon (Mr. Dismore) said, pets living in care homes and sheltered accommodation often become part of the more general community, and in many instances, other residents take a share in the care of the animal. That routine of shared care might continue if the owner dies or is no longer able to care for the animal.

There are concerns about pets—particularly dogs—going into such accommodation and not mixing well or not getting adequate exercise, and the question of who is responsible for veterinary care. Other residents could be frightened of, or allergic to, animals. I am arguing not for a blanket policy so that every pet from python to budgerigar must be admitted to a care home or sheltered housing, but simply for a basic legal presumption that pets should be permitted, subject to appropriate discussion about all possible eventualities, and provided they do not cause a nuisance to other residents.

Care providers could legitimately and understandably face opposition if any extra burdens were placed on them, but as the studies have shown, an intelligent pets policy allows into care homes animals that would reduce the burden on staff by improving the quality of life for the elderly. Indeed, residents who would otherwise make frequent demands on staff time often focus on their companion animals for much of the day.

In conclusion, I should point out the careful wording of the safeguards in the Bill. As I said, there is an overall assumption that care home and sheltered housing providers will not refuse permission for a domestic pet to accompany its owner, but the pet must be of a species authorised by the Secretary of State, so the most outlandish and potentially dangerous animals would hopefully not be authorised.

Mr. Dismore: As I said, I support the hon. Gentleman's Bill, but I have a little trouble with the wording of this aspect of it. In Committee, will he consider including the size of animals or the breeds of dogs? He mentioned that a giant rottweiler is not exactly the same as a Yorkshire terrier, so perhaps that provision needs a little tidying up, because a dog is a dog—it could be very small or very big.

Mr. Waterson: The hon. Gentleman makes a good point, although I have come across some fairly vicious Yorkshire terriers in my time, particularly when out canvassing. I will be happy to take that on board in Committee. Basically, animals must be of a species authorised by the Secretary of State, so we are not talking about wolves, tigers or pythons, as I said, or anything of that sort.

There could be an objection to a pet if the safety of other residents is affected. That is important, because we do not want to allow a pet that is going to annoy, upset or worry other residents. In addition, clause 1(2)(c) refers to the welfare of the animal—a view could be taken that an animal would not benefit from entering the accommodation with its owner. There is also a provision for the accommodation provider to charge a fee to cover the cost of having a pet, and one for an appeals procedure, which is fairly simple and not burdensome.

The principle is right, but we have also thought through the practicalities, and the Bill deals with potential objections and provides safeguards for residents, care home and sheltered housing operators, and animals. As I said at the beginning of my speech, the problem, which arises simply because many homes and projects have not thought through a policy, will only become worse and more widespread as more people live longer. This is one matter on which we can do something positive to help older people, and make that little bit easier their transition from their homes to care homes or sheltered housing, which can often be very painful. I commend the Bill to the House.

1.30 pm

Mr. Paul Keetch (Hereford) (LD): I shall be brief, as requested by Members on both sides of the House, but I wish to support this important piece of legislation. I commend the hon. Member for Eastbourne (Mr. Waterson) on the Bill. As he has said, the health benefits for elderly people—and the wider community—are well known, and they should be encouraged. It is unfortunate that so many good, healthy animals have to be destroyed.

The hon. Gentleman is right that we need to consider several issues in Committee—I hope that the Bill reaches Committee. He mentioned the problem of residents who may have pet allergies, and that certain pets may

[Mr. Paul Keetch]

not be suitable, perhaps because they are unruly. One care home owner in my constituency also raised the issue of damage being done by the pets of residents, and we need to consider that. Those issues aside—and they can be addressed in Committee—I hope that the Bill goes through, and it has my and my party's support.

1.31 pm

Mike Penning (Hemel Hempstead) (Con): It is a privilege on behalf of the Opposition to support the Bill introduced by my hon. Friend the Member for Eastbourne (Mr. Waterson). The Bill has been drafted cleverly and concisely, and it addresses many of the concerns that we have heard today. Some areas could be tightened up, and the hon. Member for Hendon (Mr. Dismore) has highlighted some of those. Those points can be addressed in Committee.

I hope that the Government will support the Bill. Indeed, I hope that they will go further than not opposing it and work with my hon. Friend to get it through in the short time we have left in this Parliament. It is an important Bill that addresses an issue of natural justice, which may be an old concept but is eminently sensible. Why should someone who is leaving local authority housing, where they may have lived for many years, to move into sheltered accommodation managed by the same authority, be forced to get rid of a pet that they may also have had for many years?

We all visit care homes and sheltered accommodation in our constituencies, so we know that they can be very lonely places. There may be many people there, but residents can be isolated, perhaps because they have difficulty hearing or other problems associated with old age. Having a pet, even something as trivial—I do not like the word trivial, so perhaps I should say cuddly—as a budgerigar could be the stimulus that residents need to make their lives more fulfilling.

The hon. Member for Hendon mentioned the size of dogs, and he is right that some accommodation would not be suitable for, for example, a St. Bernard, but would be suitable for a Jack Russell or a Pom. It is only right and proper that this House looks at what is best for our constituents, especially those in state-owned accommodation paid for by the taxpayer.

Clause 2 addresses the concerns of the private sector, and the wording is important for those who fear this legislation might be imposed on them. It takes into consideration the type of premises, the other residents and the benefits of having a pet.

For the second time today we have a consensus. I hope that the Government will support the Bill and assist its passage. I hope that they will not just pay lip service to the Bill, but get involved. I hope that the Whips put people on the Committee who want the Bill to go through, rather than those who would seek to hold it up. If that happens, the quality of the lives of many of our elderly constituents could be improved by being able to keep their pets with them.

There are rescue centres for many different pets around our constituencies, and it is only right and proper that the Bill ensures that the type of pet is suitable for the premises—frankly, animals that some people call pets I would like to see in the wild, rather than in any form of cage or restrictive environment. Many pets are put down because a loving home cannot be found for them. Sometimes, they will have been for some time with a loving family who, owing to circumstances, have had to move to different premises where pets are not allowed. If we can save the lives of those pets, we will demonstrate the compassion towards animals that this country has shown for generations and centuries. Pets give an awful lot; is it not time that we gave something back to those pets? I commend the Bill to the House.

1.35 pm

The Minister of State, Department of Health (Gillian Merron): I congratulate the hon. Member for Eastbourne (Mr. Waterson) on bringing the Bill before the House, and my hon. Friend the Member for Broxtowe (Dr. Palmer) on introducing a previous, similar Bill—the hon. Gentleman has already acknowledged my hon. Friend's contribution. Organisations such as Blue Cross, the Dogs Trust and the Society for Companion Animal Studies have all expressed sympathy with the Bill's aims. I also pay tribute to the Cinnamon Trust, a charity helping older people to keep their beloved pets, and thank it for its advocacy and for supporting prospective care home residents and helping them to make the right decisions about their care. Its work relates to today's debate. I also thank other hon. Members for their contributions and for making clear their support for the Bill.

I listened carefully to the comments of the hon. Member for Eastbourne, and I share his concern about the lack of consideration of this matter in places where there is a blanket ban, without thought, on pets. That works against the kind of compassion to which the hon. Member for Hemel Hempstead (Mike Penning) referred. The point made by the hon. Member for Eastbourne about distress is hugely important, and I particularly wanted to reflect on his comments about the major contribution made by pets to the physical, social and emotional well-being of older people in particular. I particularly liked his acknowledgment that pets can be an antidote to loneliness. It shows why the Bill is of importance to the House.

The decision to enter a care home or sheltered housing is an important one. I know well that it often coincides with the lack or loss of independence or mobility, so anything that can help people to retain a sense of themselves and their lives—pets have a role to play in that—and to help the transition is to be welcomed.

Mike Penning: I am sure that it was not intentional, but the Minister suggested that these issues concern only older people in sheltered accommodation, but of course there are younger people, often with specialist physical or mental needs, for whom a pet is an essential part of their lives. Sometimes, however, they cannot keep them because they are not permitted in the accommodation. This matter concerns not just older people, but people in need more generally.

Gillian Merron: The hon. Gentleman is absolutely right, and his comments have reminded me to say something else in praise of pets: they provide much to all of us, whatever our age. As the hon. Member for Eastbourne rightly pointed out, however, there is a group about which we should be particularly concerned. Nevertheless, we should speak up for the role of pets

and their positive contribution to many lives—those of not just older people, but people in sheltered housing whatever their age.

The parliamentary timetable gives the Bill no chance of succeeding, but I wish to put on the record how much we appreciate the sentiment and intent behind it, and I would like to extend to the hon. Gentleman the opportunity to discuss this important matter further. He made the legitimate point that there should be a national policy on pets and older people. I should like to do something about that.

As we have heard, pets can provide companionship, reassurance and affection for people who may be feeling more isolated than ever, especially if their circumstances have changed. I know from experience how valuable contact with animals can be. My friend Janice, who lives in Lincoln, has had her rather lovely dog Millie trained by the charity Pets As Therapy, to which I believe the hon. Gentleman referred. Janice gives her time—as well as Millie's—to visit people in care homes. As I have seen, Pets As Therapy provides behaviour-assessed, vaccinated animals and trained volunteers, such as Millie and Janice, to go to hospitals, hospices and care homes. I have been struck not just by the difference that Pets As Therapy makes to individuals, but by the dedication of the staff and the animals. They make 6 million bedside visits a year. As the hon. Gentleman pointed out, that is just one way in which people can benefit from pets.

I cannot emphasise too strongly how much I approve of the sentiment behind the Bill. Of course we do not want a ban on pets in care homes or sheltered housing. Independent providers of care and accommodation are currently able to make individual decisions on the basis of their circumstances. That is the most practical approach that we have encountered so far, and although it is not perfect, it has led to practical arrangements.

I have already mentioned the Cinnamon Trust, the national charity that works on behalf of older people and their pets. I pay tribute to the work of the trust and its founder and chief executive, Averil Jarvis MBE. It has a network consisting of some 16,000 volunteers who help owners to care for their pets. It aims to keep owners and pets together. It provides dog-walking services, buys food for pets, and helps to keep them clean and healthy when their owners are housebound. It also temporarily fosters pets when their owners need hospital care. Its work seems to me to do a great deal to fulfil the Bill's sentiments, and I am sure hon. Members will join me in congratulating it.

As the hon. Gentleman knows, the Cinnamon Trust operates a register of pet-friendly care homes, which pet owners who are no longer able to live independently in their own homes can use to find suitable places. About 750 of the 18,500 care and nursing homes in England are listed as pet-friendly, although they may restrict the types of pets that they will accommodate. As we have heard today, a large dog would obviously be less likely to be admitted than a small rodent or a budgerigar.

Mr. Waterson: Unless I misheard the Minister, her statistics are pretty damning. My arithmetic suggests that if those statistics are accurate, only one in 20 care homes is pet-friendly. Does that not underline the need for legislation along these lines?

Gillian Merron: I am sure that the hon. Gentleman's maths is correct. I was not presenting the figures as an excuse, but simply as an illustration of the work of the Cinnamon Trust. It is true that 750 out of 18,500 is a small proportion, but I just wanted to make the point about the work of the Cinnamon Trust, and what it offers and how it assists. I do not deny for one moment the sentiments behind the Bill.

If it is not possible for an owner to take their pet into a care home, or if an owner dies, the Cinnamon Trust will care for and attempt to find a new home for the pet—again, hon. Members had concerns about that issue. The trust runs two sanctuaries for that purpose and it assists 14,000 people a year with 20,000 animals. I am sure that hon. Members will find those figures impressive in their reach.

Mike Penning: The work that the Cinnamon Trust does is fantastic but, as we have heard from my hon. Friend the Member for Eastbourne (Mr. Waterson), thousands of animals are put down unnecessarily simply because the legislation is not in place to protect people when they go into a care home or sheltered accommodation. The vast majority of the homes that the Minister mentioned are in the state sector—they are local authority homes—so the Government are in control. The Cinnamon Trust does wonderful work, but the reason for introducing the Bill is because the trust cannot do everything and the legislation needs to be changed.

Gillian Merron: May I gently suggest that the hon. Gentleman should hear me out a little further, because I wish to discuss care homes and, indeed, sheltered housing, which would also rightly be covered by the reach of the Bill? However, it is important to find out where we are starting from before we work out the best way to go. Many local councils and care providers, as well as the Government's Directgov information service, publicise the work of the Cinnamon Trust to potential residents and provide links to it on their websites.

Although the Government agree with the principle of the Bill, there are a number of practical difficulties with it in its current form and it is important to draw those to the attention of the House. Indeed, the hon. Member for Eastbourne has raised some of them in a very honest fashion. Although I freely admit that the matter appears at first glance to be straightforward, I know, having gone into it, that it involves many complexities. The Bill's drafting has sought to address that, and we have heard an acknowledgment in the debate that we would need to go further. There are many competing considerations and there is no single easy answer.

It may help the House if I were to outline some of the main obstacles involved, but before I do so I wish to refer back to the data on the number of animals that it is said are destroyed. We understand that the figures come from a report that is 12 years old and, unfortunately, we have not been able to verify them as being more up to date. It would be useful to do so, and perhaps as we extend this discussion about the number of animals that are put down or have to be re-homed, the hon. Gentleman will seek to do so.

On those obstacles, first, not all care homes or sheltered accommodation are suitable environments in which to keep pets. The layout of many premises, where residents have their own rooms or apartments but share social and recreational spaces, could make it difficult to ensure everyone's preferences are accommodated. Secondly,

[Gillian Merron]

reconciling the wishes of all residents can be difficult; some may prefer not to share their environment with animals, but might hesitate to voice their objections in case it leads to disputes with fellow residents, and others may be allergic to, or even afraid of, animals. Thirdly, as I am sure hon. Members will agree, it is important to ensure that pets are properly exercised and cared for. Those residents who are frail or in poor health might find it difficult to do so themselves, however much they might wish to. That could put providers and their staff under pressure to care for residents' pets. In principle, that might not be a problem and, where staffing, layout and circumstances allow, the sector could, perhaps, provide extra staff and support, but the difficulty with the Bill in its current form is the fact that the legislation, if it were to force all such accommodation to allow pets, would be likely to result in extra cost to the taxpayer. Some 60 per cent. of the cost of residential care in England is funded by local authorities or the NHS, which pays for the nursing element of residential care. Obviously, we would have to consider that.

Although our thoughts might turn to our own faithful and favourite family pets—a tabby cat, or a Yorkshire terrier, as we have already mentioned—I am sure that I do not need to remind hon. Members that pets come in all shapes and sizes. Some people keep rats; others keep snakes or spiders. The keeping, exercise and food requirements of a kitten are different from those of a Great Dane, and different again from those of a tarantula. Finally, although the risk is likely to be small, pets might bring with them certain health risks such as infections or parasites that are carried or transmitted by animals. Of course, those infections and parasites will differ depending on whether the pet is a kitten, a Great Dane or a tarantula. Those who are frail or in poor health might, of course—this is important—have less resistance to infection.

I have concentrated on why it might not be practical, with the Bill as drafted, for people to keep pets in care homes and sheltered housing, but it is important that the House considers the wider questions about the role of local and central Government and the autonomy of individual providers. As hon. Members are aware, a number of care homes—the latest estimate suggests 750, or about 5 per cent.—allow pets. Although it is limited, there is some availability.

Care home and sheltered housing providers are primarily independent, private sector organisations. We understand from the Elderly Accommodation Counsel, the charity that advises older people on housing and care, that of the 500,000 sheltered housing units, nearly half—that is 255,825 units—will consider accepting pets. The scale of the challenge is different in sheltered housing to the challenge in residential and care homes. Again, there is some degree of availability. Sheltered housing providers are paid from local budgets and operate under local contracts with local government. We would not wish to second-guess or dictate conditions to the market.

Instead, the decision about whether or not to allow pets is in the hands of the care home and sheltered housing operators, working closely with the relevant local authorities. However, we want to encourage both the home care sector and local authorities not immediately to discount the idea of allowing pets to stay with their owners. That is the key point that the hon. Member for Eastbourne correctly made.

Wherever practical, local government and its partners in the independent and private sectors should consider allowing pets in some of their care homes—and, indeed, in as many as possible. When I read the Bill, that is what I understood it to want. As the hon. Gentleman has rightly identified, there are major providers of housing and care—Housing 21 and the Anchor Trust, about which we have already heard—that are happy to consider allowing tenants and residents to keep their pets. We would encourage others to follow their example.

There is a wider point to be made about pets in care homes and sheltered housing. Clearly, we all want to see the best conditions in care homes and supported accommodation, and I understand the role that pets can play. However, many people have told us that what they would really like, above all, is to remain in their own home. Of course, if one lives in one's own home, one is free to keep a pet. I feel that increasing the number of people who can stay in their own home will help with this important matter. We do not want to sweep the whole thing under the carpet, but we want to reduce the number of people for whom the only option is to leave their home.

The Government are keen to ensure that as many people as possible are supported in remaining in their home for as long as they wish. That would greatly help people to keep their pets. The House will be aware that that is what the Personal Care at Home Bill, which is currently going through Parliament, is all about. It focuses on providing personal care for those who live in their own home, including in sheltered or supported accommodation, and will support those adults with the highest personal care needs in England. It will enable all those people with the greatest care needs, including many with serious dementia or multiple sensory impairments, to protect their savings. It will also benefit a wider group of people by maintaining or improving their ability to live at home for longer and, of course, by helping them to keep their pets. Let me give a sense of scale regarding the number of people for whom we seek to do that. The Bill guarantees free personal care to 280,000 of those people with the highest needs, of whom 110,000 will receive free personal care for the first time. Currently, those 110,000 people receive personal care but have to pay for it, either in part or in full, themselves. Of those 110,000, some 90,000 are older people aged 65 or over, and 20,000 are younger adults aged 18 to 64.

The Personal Care at Home Bill is a step towards setting up a new national care service.

Mr. Deputy Speaker (Sir Michael Lord): Order. I am reluctant to stop the Minister, but she is in danger of talking about a kind of accommodation that is not before the House today. Limited reference to that is in order, but the Bill is specifically about care homes and sheltered accommodation and the way that pets can be dealt with in such accommodation.

Gillian Merron: I understand that point, Mr. Deputy Speaker. This is an extremely important issue, and I simply wished to illustrate that one thing that we can do is assist people in making their own decisions and in

being equipped to keep their independence in their own home. That includes being able to keep their pets.

There are huge challenges to making such changes. However, it is important to end the lottery of charging for personal care so that we can have a fairer, simpler and more affordable system in order to have national consistency as well as better information and advice. That would give people a greater chance of staying in their own home through reablement or early intervention. It would prevent people from becoming more dependent and would help them to regain more independence in order to allow them to stay in their own home. People tell us that they want to remain in their own home, and I am in no doubt that that is not just about wishing to see familiar surroundings but about wanting to have support there and the companionship of pets. We want to help people become more independent in the community. That is of benefit to the people concerned, the community, and the national health service.

The other way in which we would seek to give people support so that they can remain in their own homes, where they can keep their pets, is by having extra care housing. That, too, provides independence and choice to people with care and support needs. It is innovative housing with a care option, 24-hour support, meals, domestic help, and leisure and recreation facilities, in an environment that is genuinely safe for the tenants. That could be a modern-day alternative to residential care, and the challenge before us—the question of whether pets are allowed—would not have to be considered. The Government have made many millions of pounds available to extend independence and choice.

There is no doubt in my mind that the Bill has been introduced with absolutely the best of intentions, and I again commend the hon. Member for Eastbourne and my hon. Friend the Member for Broxtowe for bringing this serious matter before the House. It deals with independence and dignity, and enables us to see and acknowledge the role that pets have to play, but as I said, I do not believe that there is one simple way of achieving the aim, and that is why it is important to refer to the fact that more people should have the chance to make their own decisions on pets, as on many other matters.

The Government understand and very much share the sentiment behind the Bill, and are sympathetic to its aims. I would like to restate that we do not wish there to be any move in the other direction—a point that the hon. Gentleman mentioned. We do not want there to be any ban on pets in care homes or sheltered housing.

However, the challenge before us is that, as we know, the parliamentary timetable will not allow the Bill to succeed. As the hon. Gentleman has acknowledged, there are practical obstacles to implementing the Bill on this important matter. For those reasons, I ask him whether he will withdraw it in its current form. I offer to have discussions with him and others to find a way forward, because what is most important is that we put first the interests of those who, unwillingly, find themselves potentially or actually separated from their pets. We must also work with those who provide the care and accommodation; I know that that, too, is of interest to him.

We do not, at this stage, actively oppose the Bill, but we seek a way of making a practical difference to the people who rely on us to assist them to find greater dignity and independence, and greater companionship from their pets.

2.3 pm

Mr. Waterson: I thank all those who have spoken in this debate, and I am delighted that there is such consensus among all parties that the proposals are a good idea. I especially thank the Minister, who has taken real trouble to go into the matter in such depth. I particularly endorse what she said about the Cinnamon Trust and other bodies that are involved with the issue generally.

I remind the House that the Bill is directed entirely at people who are obliged, through their life circumstances, to go into care homes or sheltered accommodation. It has no ambitions to go beyond that and look at the issue of long-term care; I leave it to greater minds than mine to address that conundrum in due course.

I am grateful for the Minister's suggestion that I withdraw the Bill to hold further discussions, and I hope she will not take it amiss if I decline that kind offer. I do, however accept, her offer of lack of opposition to, if not support for, the Bill as it stands. She is, of course, absolutely right: thanks to the exigencies of the electoral process, the Prime Minister finally has to have a general election, whether he likes it or not—it cannot come too soon, as far as I am concerned—and the Bill will not, in practical terms, make any more progress. Ordinarily, it would go into Committee, and that would be the right moment at which to address the practicalities that have rightly been raised in debate by everybody, including the Minister.

However, I should like to test the mood of the House on the proposals. Who knows, but in the next Parliament a new Government might take an even more enthusiastic position on the idea than the present Government, or another Member might be fortunate enough to win in the ballot and put it forward for a third time. In any event, I should like to see whether the House is prepared to give the Bill a Second Reading. That would send a message, on behalf of all parties, to people out there who are affected that we do care, we do understand and we want to do something about the problems.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Marine Accident Investigation Branch (Reports) Bill

Second Reading

2.5 pm

David Cairns (Inverclyde) (Lab): I beg to move, That the Bill be now read a Second time.

I introduce the Bill in memory of my constituents Mr. Eric Blackley, Mr. Robert Cameron, Mr. Stephen Humphreys and Mr. Brian Aitchison, who died on 19 December 2007 when the Greenock-based tug, the Flying Phantom, sank in thick fog on the River Clyde. I set out all the reasons why the Bill is necessary when I introduced it as a ten-minute Bill on 20 October 2009, and I will not test the patience of the House by repeating all the arguments that I made then.

The Bill is extremely simple—two clauses, one substantive clause—and gives force of law to recommendations from the statutory reports from the marine accident investigation branch. I am entirely realistic about where we are in the parliamentary timetable, but granting the Bill a Second Reading will be a small step on the road to justice for the men who died, and will give some comfort to the noble grieving widows, whom I have met, and who strike me as women who are not seeking riches or for heads to roll, but who are seeking to ensure that no other families have to endure the awful and terrible suffering they have had to endure. I commend the Bill to the House.

2.7 pm

Mr. Paul Keetch (Hereford) (LD): I shall be brief. I congratulate the hon. Member for Inverclyde (David Cairns) on bringing the Bill before the House. He does so in the fine tradition of the House—by taking a local tragedy from his constituency and seeking to improve legislation as a result, trying to ensure that something good comes out of something bad. There are a number of issues that the Liberal Democrats would like to examine in Committee, but we are happy to support the Bill's Second Reading today.

2.8 pm

Alistair Burt (North-East Bedfordshire) (Con): On behalf of my colleagues in the Front-Bench transport team, I am happy to comment on the Bill. Bedfordshire is not noted for its relationship to the sea, but I am pleased to have the opportunity to speak today.

I congratulate the hon. Member for Inverclyde (David Cairns) on introducing the Bill. In common with the remarks just made by the hon. Member for Hereford (Mr. Keetch), who spoke for the Liberal Democrats, I understand the burden of dealing with tragedy and taking forward some positive outcome. On Christmas day 1984, nine of my constituents in my then constituency of Bury, North died in a house fire. One of the reasons why the fire was so tragic in its consequences was the lack of smoke detectors in the house. I subsequently worked with the Greater Manchester fire brigade to improve the provision of smoke detectors in new build and rented accommodation throughout the country. The impact of death and tragedy makes any Member of Parliament want to do whatever they can to try to resolve the difficulties that might have caused the accident. That is exactly what the hon. Member for Inverclyde is doing today.

The Bill is simple and straightforward. The view of my colleagues is that it is likely to have ramifications and consequences, which is why they are keen to see it taken into Committee, in order to be discussed further.

The marine accident investigation branch's 2008 annual report, published in July 2009, shows that of 117 recommendations issued for that period, 71 had already been accepted and implemented, while 31 had been accepted but were awaiting implementation. In the four-year period prior to that, of the MAIB's 586 recommendations, 524 have been accepted and implemented, but 22 have been accepted and still await implementation. No one ever knows the one measure whose non-implementation might have an adverse effect in the future.

A duty already exists upon anyone to whom a recommendation is addressed either to provide to the chief inspector, within 28 days, details of any implementing action, or to explain why none has been taken, and to allow the chief inspector to publish information concerning those matters. We recognise that, although much work is already done to implement recommendations, there are still some potential loopholes and something may need to be challenged. That is why the hon. Gentleman has brought forward his Bill.

We are also conscious that shipping is a global activity, and for sensible reasons much of its regulation is dealt with internationally. It is not impossible to believe that, occasionally, an MAIB recommendation might conflict with international regulations or require international an agreement to be enacted. Likewise, recommendations could conceivably require legislation in other places. All that would necessarily happen without consultation or further investigation, and there might be impracticalities. However, that is exactly the sort of thing that needs to be considered in Committee.

We are quite satisfied that the hon. Gentleman has made his case for the Bill to be read a Second time, not only given what he has said previously and today on behalf of those whom he represents, but given that the awful tragedy involving the Flying Phantom on the Clyde is still very much in people's minds. The Bill should be taken into Committee, and I commend him for bringing it forward on behalf of his constituents.

2.12 pm

The Minister of State, Department for Transport (Mr. Sadiq Khan): I, too, congratulate my hon. Friend the Member for Inverclyde (David Cairns) on his success in the ballot. Last night, I read the ten-minute Bill speech that he delivered on 20 October, and he referred in his introduction to the tragedy that occurred on 19 December 2007, when the Greenock-based tug, the Flying Phantom, sank in thick fog on the River Clyde with the loss of three of her crew. The dead men were Eric Blackley, aged 57, Robert Cameron, aged 65, and the skipper, Stephen Humphreys, who was just 33 years old. There was one survivor, Brian Aitchison, from the borders.

David Cairns: My right hon. Friend gives me the opportunity to correct something that I misstated at the beginning of my speech. I was anxious to get the Bill under way and not to detain the House, and in so doing I accidentally listed Mr. Brian Aitchison as one of the deceased, rather than as a survivor. I apologise unreservedly to him and his family for any distress that my slip of the tongue caused.

Mr. Khan: I also commend my hon. Friend's sensitivity and the way in which he has dealt with the terrible circumstances that generated his interest in moving this Bill. That is demonstrated by the correction he has just made.

Without qualification, I take very seriously the safety of the United Kingdom's ships and the people who operate them. The Government are committed to an ongoing policy of improving safety standards in the marine environment, and the marine accident investigation branch, or MAIB, performs a vital role in delivering that policy. Before we can discuss how to address the safety problems that go hand in hand with the operation of vessels, we must accept that there will always be, I am afraid, an element of risk.

No matter how much regulation we implement or how much guidance we issue, there will always be unforeseeable circumstances that can lead to tragic accidents. That is not to imply that we should give up on trying to reduce the likelihood of accidents. On the contrary, it is our task to ensure that those risks are as low as possible, and that the UK has an international reputation for excellence in its approach to improving marine safety. We have many tools at our disposal to bring that about. One of the most powerful is the objective, independent investigation of marine accidents, carried out by the marine accident investigation branch. The primary purpose of MAIB investigations is to examine the causes and circumstances of an accident and to identify lessons to reduce the risk of similar accidents in the future. To appreciate the MAIB's role fully, it is essential for us to accept that it does not seek to determine liability or apportion blame for particular accidents. The elective nature of MAIB recommendations is an expression of that philosophy, which is a crucial element that ensures the effectiveness of the branch's work.

The MAIB was formed in 1989, partly in response to the formal investigation in 1987 into the circumstances attending the capsizing of the roll-on/roll-off passenger ferry, the Herald of Free Enterprise, which resulted in the loss of 193 lives. Mr. Justice Sheen, the wreck commissioner appointed to conduct the investigation, expressed his concern at the widely held view that the Department of Transport, as it was then, could influence the outcome of investigations to ensure that it avoided any embarrassment.

Mr. Justice Sheen judged that the safeguards in place at the time were insufficient to deflect that criticism, and part of his report recommended that consideration be given to how such investigations would be conducted subsequently. He also made the point that investigations should be commenced as soon as possible after accidents occur, to ensure the reliability of witness statements and the integrity of evidence.

The then Government's response was to establish a marine accident investigation branch based on the model that had been operating successfully in the aviation sector. Importantly, the MAIB was set up to act separately from the Department, and its investigations inherited the independent character of the formal investigations that preceded it.

To command the trust of industry and the public, the MAIB must not only operate independently of the Department, but be seen to do so. In practice, that separation is partly achieved by the status of the recommendations that the MAIB may issue as a result of its investigations. Those recommendations are not enforceable by the Government, and that contributes a great deal to both the reality and the perception of independence. If the status of recommendations is changed so that the Government become responsible for enforcing them, we will blur the line that exists between the work of the MAIB and that of the Department. That could have serious implications for the way in which the MAIB operates.

One of the major factors that determines whether an investigation results in meaningful and useful conclusions is the degree of freedom that investigators have to gather evidence, question witnesses and publish their findings. As an illustration of that principle, we consider matters of safety so important that there is a memorandum of understanding between the Crown Prosecution Service and the investigation branches that, when there is any conflict, the needs of the technical investigation should take precedence over the criminal investigation.

Another element, for which we cannot legislate or negotiate, is the perception of the MAIB in the minds of the parties involved in marine investigations. In many cases, the quality of evidence and testimony from those parties depends heavily on how they expect the MAIB to use the information. Under the current arrangements, the MAIB is able to engage openly and candidly with those involved in accidents because there is an understanding that the evidence will be used as the basis for recommendations about future safety, and not to determine liability or to apportion blame in relation to a specific accident.

David Cairns: I did not intend to ask my right hon. Friend to give way, and this will be the last time that I do so. The worst possible argument that I have ever heard for not having a force of statute on this matter is that when there has been a death or multiple deaths in which the actions of people might have played a role, they will comply with the statutory body only on the understanding that it will not rebound on them at all in any legal way. This is the worst possible argument for MAIB reports not being statutory. There may be other aspects that are international in nature, as the Opposition spokesman said, or there may be things to do with how the Health and Safety Executive or the courts operate. Saying that people will co-operate fully only because there are absolutely no ramifications involved is a terrible argument: nobody would co-operate with anybody under those circumstances.

Mr. Khan: My hon. Friend will appreciate the parallels with inquests, which are also inquisitorial, where there is no apportionment of blame, and where the recommendations do not have the same statutory binding effect. I will come to other reasons; I have a list of them, I am afraid.

The rationale for obliging the recipients of recommendations to comply with them appears to be based on a perception that MAIB recommendations otherwise carry no weight. In fact, however, the regulations governing the MAIB's activities include provisions that require the recipients of recommendations to take them into consideration. They must then inform the MAIB of the action that they plan to take to implement the recommendations, along with a timetable. If the recipient

[Mr. Khan]

plans to take no action pursuant to the recommendation, they must provide the MAIB with an explanation. Ignoring MAIB recommendations is not an option under the regulations, and doing so is likely to count against any recipient who fails to take action on a recommendation that could have contributed to the prevention of any accident that occurs in the future.

When we discuss the way in which safety is regulated in the UK, we must not stop at the prominent work of the accident investigators. Because of the MAIB's direct involvement in the aftermath of marine accidents, its investigations and reports often command a high profile in the media and in public awareness. That is why significant attention can be paid to the MAIB's recommendations; because they are so visible, it is easy to cast them as the primary response to marine tragedies and disasters. However, that characterisation misses the point of the MAIB's role and that of the recommendations that it issues, and it underplays the role of other people and organisations that have a statutory duty for marine safety, such as the Maritime and Coastguard Agency, which has primary responsibility for regulating marine activity.

Independent accident investigation is just one piece of the wider safety puzzle. Depending on the context of any particular accident, a broad range of individuals and organisations may be responsible for ensuring safety. For example, employers are required to ensure the health and safety of seafarers by the Merchant Shipping and Fishing Vessels (Health and Safety at Work) Regulations 1997, and this duty was expanded to include the operators of vessels on inland waters by an amendment made in 2001. Those regulations place duties on employers to identify the risks to safe working and to implement reasonable safeguards. MAIB recommendations may highlight areas of risk that contributed to particular accidents, but it is clearly the responsibility of the employer, in this case, to consider the implications of those recommendations and the overall effect of the actions necessary to implement them.

Any proposal that obliges the recipients of MAIB recommendations to implement them would have the effect of making the MAIB responsible for the consequences of that implementation. That is the key point that my hon. Friend may have missed. Granting an investigative body such a degree of regulatory power runs counter to the principles that underlie the UK's current marine safety regime. At best, by making MAIB recommendations mandatory, we would duplicate the responsibilities of other regulators and employers. Since those responsibilities carry with them a requirement to assess the risks and impacts of safety measures, the resourcing needs of the MAIB would increase dramatically and with no corresponding increase in the value that it delivers.

Beside the negative effect that the proposals would have on how the MAIB operates and contributes to the improvement of marine safety, they would carry two other major implications for Government. The first is that they would effectively grant the MAIB a direction-making power. Currently, it is the responsibility of the Secretary of State to legislate for shipping safety under powers conferred in merchant shipping legislation, under the scrutiny of Parliament. Obliging recipients to comply with MAIB recommendations would lend those recommendations the force of law, and it would be law made without the controls that we normally consider essential.

Mr. Andrew Dismore (Hendon) (Lab): I am becoming increasingly worried by my right hon. Friend's contribution. He will not know this, but I was one of the solicitors involved in the Zeebrugge ferry disaster, which I think is getting on for 30 years ago now. I dealt with a number of cases and I remember the conclusions of Mr. Justice Sheen and the difficulties of litigation.

Claims for compensation are irrelevant, because they are dealt with under the Athens convention, effectively on a no-fault liability basis. More importantly, I am concerned that my right hon. Friend is effectively saying that accidents at sea should not have the same protection as accidents on land, for which the Health and Safety Executive can issue a prohibition notice or an improvement notice. The Bill promoted by my hon. Friend the Member for Inverclyde (David Cairns) seeks to achieve the same thing in relation to the MAIB. Why should not the same provisions apply?

Mr. Khan: My hon. Friend has obviously read my speech, because I will come to that later. If he does not mind, I will deal with it then rather than put page 16 before page 11. He raises an important point, and I will be happy to speak or write to him about it if I do not reach it in the next few minutes.

As I said, obliging recipients to comply with MAIB recommendations would lend those recommendations the force of law, which would be made without the controls that we normally consider essential. MAIB investigations and the recommendations that come from them are often necessarily broad in scope, so that all relevant factors contributing to an accident can be considered and addressed. It is because the remit is so broad that the MAIB can conduct the thorough and incisive investigations for which it is renowned. However, the same breadth means that compulsory MAIB recommendations would lead unavoidably to the implementation of policies on matters that are currently the preserve of the Secretary of State, who is accountable to Parliament. Even if we ignore the administrative problems and the impact that the proposals would have on the MAIB's effectiveness as an investigator, delegating such wide law-making power without proper controls is unacceptable.

Another concern is that the proposals run counter to the Government's commitment to better regulation. The five principles that underpin that commitment are that regulation must be transparent, accountable, proportionate, consistent and targeted. Regulation based on MAIB recommendations would seem to meet only one of those five criteria. Since the recommendations come from detailed investigations on which a report is produced, the regulation would at least be transparent to some degree. However, it would certainly not demonstrate accountability, because the recommendations are not directly overseen by Parliament. Causing recommendations to have the force of law does not guarantee proportionality, because the MAIB does not conduct any form of cost-benefit analysis of the effects that its findings might have in the broader commercial context of the operations on which they have a bearing.

I have already explained how existing legislation is balanced around the principles of risk assessment and proportionality, and how the MAIB could not act as a regulator without a massive increase in its budget. Because of the volume of marine accidents, it is impractical to conduct a detailed investigation into each one. The MAIB must assign its limited resources carefully so that they will reveal the most valuable safety lessons. Those lessons and any associated recommendations may be specific to particular accidents or apply more broadly to similar circumstances. That is not a problem when recommendations are non-compulsory because recipients can consider the matters raised and implement related measures in so far as that is necessary to ensure reasonable safety. However, that manner of making recommendations would be impossible under a regime that enforced them as law because they would not be suitably targeted for the purposes of better regulation.

Moreover, since all accidents will be investigated—

2.30 pm

Mr. Deputy Speaker (Sir Michael Lord): Order. Debate to be resumed what day?

David Cairns: In the light of the Government's entirely unreasonable opposition to the Bill, I wish to withdraw it.

Mr. Deputy Speaker: I think "no date named" is the answer.

The debate stood adjourned (Standing Order No. 11(2)).

Business without Debate

SHELTERED ACCOMMODATION (RESIDENTS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

HUMAN RIGHTS ACT 1998 (MEANING OF PUBLIC AUTHORITY) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

COMPENSATION ACT 2006 (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

DEPARTMENT FOR WORK AND PENSIONS (ELECTRONIC FILE RETENTION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 7 May.

LAND USE (GARDENS PROTECTION ETC) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

BRITISH MUSEUM ACT 1963 (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

VIDEO RECORDINGS (EXEMPTION FROM CLASSIFICATION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

TOWN AND COUNTRY PLANNING ACT 1990 (AMENDMENT) BILL

Resumption of adjourned debate on Question (29 January), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 30 April.

DEVELOPMENT ON FLOOD PLAINS (ENVIRONMENT AGENCY POWERS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

EMPLOYERS' LIABILITY INSURANCE BUREAU BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

CONTAMINATED BLOOD (SUPPORT FOR INFECTED AND BEREAVED PERSONS) BILL
[LORDS]

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

PROSECUTION OF OFFENCES ACT 1985 (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 12 March.

Dr. David Kelly (Inquest)

Motion made, and Question proposed, That this House do now adjourn.—(*Kerry McCarthy.*)

2.33 pm

Norman Baker (Lewes) (LD): I am pleased to have the opportunity to raise this important issue. It is perhaps symbiotic that I have this Adjournment debate while the Chilcot inquiry is in progress, with the Prime Minister giving evidence. While Sir John Chilcot is considering the overtly political issues of 2003, I will argue that it is not possible to secure closure on the events of 2003 until those surrounding David Kelly's death have been properly investigated.

David Kelly was, of course, intimately linked with the events of 2003, not least through his briefing of Andrew Gilligan, which precipitated many of the problems that occurred early in that year and was the source of the suggestion that the Government's dossier had been "sexed up". I do not intend in the limited time that I have to go over those particular issues today. Suffice it to say that they are all extant and I hope that the Chilcot inquiry will reach a sensible conclusion that satisfies the population at large, who are currently not satisfied. However, there is no doubt that involvement in the Iraq issue caused David Kelly's death, no matter how people think that occurred.

I believe that this country and the world owe David Kelly a huge debt for his tremendous work as a United Nations weapons inspector on behalf of this country and, indeed, the world though the 1990s and the early part of this century. It is a tragedy for him, his family and his friends that he ended his life as he did. They deserved better than for him to be found dead in a wood on Harrowdown hill, particularly given that at the same time, the then Prime Minister was receiving 16—or was it 17?—standing ovations from the US Congress for providing an intellectual justification for the war in Iraq. I hope that some way can be found, even at this stage, for David Kelly to be recognised through a posthumous honour. Although I am told that that is not possible, I hope the Government recognise the case for it. They owe him that, not least for having briefed that he was a kind of Walter Mitty figure shortly after his death and for having tried to ruin his reputation in that way.

I recognise that this remains painful for many people, not least David Kelly's family and friends, but it is a matter of national importance—it is unfinished business, which is why I am returning to it today. In the limited time I have, I want to focus on the narrow issue of the process used to deal with his death. The Minister will be aware that the normal process for any unexplained or violent death is through a coroner's court, with all the safeguards that that implies. That is a proper process, open to the public, with proper rules of engagement and cross-examination, and certain hurdles to overcome before particular verdicts can be reached. It is astonishing that in this most sensational—if that is the appropriate word—tragic and important death of the past decade, we will instead be given a non-statutory inquiry established under section 17A of the Coroners Act 1988.

That provision was introduced by a previous Government for, I believe, defensible reasons. As I understand it, it was introduced to deal with multiple deaths with the

ame cause. It was therefore used in February 2000 for he investigation of 31 deaths in the Ladbroke Grove ail crash, the 311 deaths connected with Harold Shipman, nd the four deaths connected with the sinking of the Gaul in November 2003. On all those occasions, there vas a statutory inquiry and more than one death was nvolved. This is the only occasion in history that section 7A has been used for a non-statutory inquiry into a ngle death. It is astonishing that Dr. Kelly's death has een investigated to a lower standard than any other milar death would have been.

Even that might have been passable if Lord Hutton ad done his job thoroughly, but he did not—not by a ong stretch of the imagination. I therefore want to rgue today for a proper inquest to be held—there has till not been one—and to invoke section 13(1)(b) of the 988 Act, on two grounds: first, insufficiency of inquiry; nd secondly, the discovery of new facts or evidence. Either ground should encourage or persuade the Attorney-General to apply to the High Court for the inquest to be reopened, and I suggest that both provide a compelling ase.

The Minister will know that I wrote to the Attorney-General on 4 September 2008 to make that request, and he has so far not seen fit to agree with my analysis. Doubtless the Minister will respond to that.

I shall refer to what Lord Hutton said about his own nquiry when he wrote subsequently in the "Inner Temple Yearbook 2004-2005", which I accept is not a publication hat many people will have read. He stated:

"At the outset of my inquiry…it appeared to me that a substantial number of the basic facts of the train of events which led to the tragic death of Dr Kelly were already apparent from reports in the press and other parts of the media. Therefore I thought that there would be little serious dispute as to the background facts…I thought that unnecessary time could be taken up by cross-examination on matters which were not directly relevant."

That appears to me as an admission from Lord Hutton himself of "insufficiency of inquiry", but we also need to consider the key witnesses who were simply not called or, in some cases, not referred to in Lord Hutton's inquiry. The police officer in charge of the investigation was Chief Inspector Alan Young—he has since been promoted—of Thames Valley police. As far as I can tell, he was not even mentioned in the Hutton inquiry, let alone called to give evidence. Mai Pederson, who was David Kelly's contact in the US armed forces, probably knew David Kelly better than anyone else apart from his close family, but she was not asked to give evidence. Indeed, it appears that she offered to give evidence, but the Thames Valley police told Lord Hutton that she had nothing of value to say.

Then there is the conflicting evidence that Lord Hutton appeared to think it unimportant to clear up. There was a huge amount of conflicting evidence in the police statements, including such basic matters as where the body was, how far it was from a tree or whether it was against the tree, and whether various possessions of David Kelly were near the body or not. Lord Hutton tried to resolve this by saying that

"entirely honest witnesses often give evidence as to what they saw at the scene which differs as to details. In the evidence which I heard from those who saw Dr Kelly's body in the wood there were differences as to points of detail, such as the number of police officers at the scene and whether they were all in uniform, the amount of blood at the scene, and whether the body was lying on the ground or slumped against the tree…These differences do not cause me to doubt that no third party was involved in Dr Kelly's death."

It appears that Lord Hutton did not feel it necessary to resolve any of those matters, but I suggest that a coroner's court would certainly have sought to resolve them. Indeed, Lord Hutton concludes that if police officers give conflicting evidence, it proves that they are telling the truth, because if they had been telling lies, they would all have told the same story. I suggest that had the police all told the same story, no one would have concluded that they had lied. The answer is that Lord Hutton was going to believe whatever he was told and failed to investigate conflicts of evidence when they were presented to him. There are other conflicts of evidence that I will not go into, given the limit on time, but Lord Hutton failed to examine any of them during his inquiry.

In a reply to me, the then Solicitor-General cited, as reasons for not pursuing the matter further, the evidence of Alex Allan, the toxicologist, and Dr. Nicholas Hunt, the pathologist, at the Hutton inquiry. But she appeared not to know that Dr. Hunt changed his evidence in the run-up to the inquiry. That much was revealed by information and documentation released to me by the then Solicitor-General, who is now the Leader of the House. She was very generous and provided lots of information that demonstrated that the Oxfordshire coroner had been leant on by a Minister. I am not happy with coroners being leant on by Ministers, but that is what the evidence shows. It also showed that Dr. Hunt had changed his evidence. We do not know in what way he changed his evidence, but we do know that he contacted Channel 4 in March 2004, indicating that he thought that the inquest should be reconvened.

In evidence to the Hutton inquiry after being asked about any third-party involvement, the pathologist said that

"the features are quite typical, I would say, of self inflicted injury if one ignores all the other features of the case."

What does that mean? Lord Hutton never bothered to ask. This is a charade of a legal process and the Government cannot let it stand as it does.

A death certificate was issued in the name of the Oxfordshire coroner, giving the reasons for death. It was issued on 18 August 2003—significantly, just barely after the Hutton inquiry started sitting. What was the point of an inquiry to investigate the circumstances surrounding the death of David Kelly if the Oxfordshire coroner, through an aborted inquest process—and that is what it was—rushed out a certificate giving the reasons for death before Lord Hutton had even considered the matter? The certificate includes as causes co-proxamol ingestion and coronary artery disease. It subsequently turned out that Alex Allan, the toxicologist that the Attorney-General prayed in support of her decision not to reopen the inquest, actually gave evidence at the inquiry that the level of co-proxamol was insufficient to cause death. In that case, why was it on the death certificate? Why were coronary artery problems mentioned when David Kelly's GP said that he had no problems with coronary artery disease?

The Minister will also be aware of the challenge that several leading medical experts have launched, demanding a proper inquest and saying that, in their view, it is clinically impossible for David Kelly to have died in the

[Norman Baker]

way that Lord Hutton described. They have asked for information about the death and it has turned out that Lord Hutton recommended—astonishingly—that the information should be kept secret for 70 years. A coroner's inquest is normally a public event, but here is Lord Hutton keeping information a secret for 70 years. What has he got to hide? However, that information is now with a Government Department, so it is within the Government's power to release it to the doctors, as they have requested, and I trust that they will do so. I submitted a freedom of information request some time ago for that information to be revealed, but I have had no substantive reply despite the fact that the normal statutory time for reply has now been exceeded.

The second reason for reopening this matter relates to new evidence. I have not got time to go into this in huge detail, but there is a lot of new evidence. It was subsequently discovered—by me I might say, through a freedom of information request to Thames Valley police—that there were no finger prints on the knife, despite the fact that Dr. Kelly was not wearing gloves. We are invited to work out how he is supposed to have slit his wrists without leaving prints. Why was it left to me to find that out? Why did Lord Hutton not find out that most basic fact in his inquiry? It suggests that he was not at all thorough. There is also the fact that Mia Pederson, Dr. Kelly's close friend, stated to a national paper, *The Mail on Sunday*, that she had a meal with Dr. Kelly shortly before his death. He had had an accident—a painful injury to his right elbow—and as his hands gripped the silver, he struggled to get a knife through a steak he had ordered. How was he supposed to cut his wrists, when he could not even cut through a steak?

I have not even gone into the medical evidence that the doctors have brought together. Suffice it to say that when I asked the national statistician, Karen Dunnell, how many deaths there had been, in 2003 in the entire UK, from incising an ulnar artery—a tiny artery of matchstick thickness in the wrist—I was told one. It does not add up, I am sorry to say.

Then there is the issue about the helicopter. We have subsequently found out, again from freedom of information requests, and through my parliamentary questions to the Ministry of Defence, that the times and routes given at the Hutton inquiry for the helicopter have been proved to be wrong. The MOD, in parliamentary answers to me, has contradicted the evidence given at the Hutton inquiry, and a freedom of information request by a journalist has demonstrated that the route of the helicopter went directly over the place where Dr. Kelly's body was subsequently found, with heat-seeking equipment, and yet failed to detect the body. None of this adds up. The Minister needs to recognise that and respond appropriately.

The Minister will know that politicians from all parties have expressed doubts about the matter, and have gone public in doing so. He will also know that Mia Pederson's lawyer in the United States, Mark Zaid, on her behalf, has written to his Department demanding that the matter be reopened, because she is not happy with the matter either. He will know that I, and the doctors, are pursuing the matter. I say to the Minister that the lid cannot be kept—and nor should it be kept—on the matter for much longer. In a coroner's court, it would be necessary to prove beyond reasonable doubt—that is the test—before a verdict of suicide can be returned. I challenge the Minister, or anyone else for that matter, to tell me, on the basis of the farrago of nonsense produced by Lord Hutton and the evidence that has emerged subsequently, that that conclusion can be reached. It cannot be reached, and we owe David Kelly a proper investigation. We owe him an inquest, which anyone else would have had they suffered a violent and unexplained death. That has so far been held back from David Kelly. We must have it now, and if we do not, we will not be able to draw a line under the events of 2003, whatever Sir John Chilcot concludes.

2.48 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): As is customary, I start by congratulating the hon. Member for Lewes (Norman Baker) on securing the debate. I would also like to associate myself with some of his remarks. First, I agree that this was a terrible tragedy, for Dr. Kelly, his family and many others. Secondly, I agree that this country owes a significant debt of gratitude to Dr. Kelly for his many years of distinguished public service. Thirdly, we should all recognise, as the hon. Gentleman did, that this incident was particularly painful and distressing for the family, and continues to be so, and all of us need to approach the matter with sensitivity. Indeed, I think that he has done that. Finally, he was right to highlight the fact that many people are not satisfied with what has happened, and to that extent it remains a matter of legitimate public concern. I agree with him on all those points. He has been an indefatigable campaigner on the issue.

Let me rehearse a few of the most salient facts before I deal with the substance of what the hon. Gentleman has said. As the House will know, Dr. Kelly's body was found on the morning of Friday 18 July 2003 on Harrowdown hill in Oxfordshire, near his home. He had been missing since the previous day, and his death was then reported to the Oxfordshire coroner, Nicholas Gardiner. On 21 July, Mr. Gardiner formally opened and adjourned an inquest into Dr. Kelly's death, as is customary when investigations into a death are continuing. The purpose of an inquest is to establish who the deceased was, and how, when and where he or she came by his or her death. Any external investigations into the death can be crucial evidence for the coroner, and can of course preclude the necessity for the coroner to undertake his or her own investigations.

On 18 July 2003, the then Lord Chancellor, Lord Falconer, appointed Lord Hutton to conduct a public inquiry into the death of Dr. Kelly. The terms of reference were

"urgently to conduct an investigation into the circumstances surrounding the death of Dr. Kelly".

The inquest was resumed briefly by Mr. Gardiner on 14 August 2003, to enable the final report of the post-mortem examination on Dr. Kelly to be admitted as evidence. The examination had been undertaken by Dr. Nicholas Hunt, an experienced and Home Office-accredited forensic pathologist, on 18 July 2003. Dr. Hunt submitted his report to Mr. Gardiner on 25 July. Its conclusions were later made public in his evidence to Lord Hutton's inquiry.

As the hon. Gentleman said, section 17A of the Coroners Act 1988 allows for the adjournment of an

inquest in the event of a judicial inquiry into a death which, in the Lord Chancellor's view, will investigate the death adequately. The then Lord Chancellor considered that Lord Hutton's inquiry would adequately investigate the cause of Dr. Kelly's death. Therefore, in August 2003, under the provisions of section 17A(1) of the Act, he formally notified Mr. Gardiner of Lord Hutton's inquiry. Mr. Gardiner found no exceptional reason to the contrary, and therefore adjourned the inquest, again in accordance with section 17A of the Act.

Norman Baker: Whose idea was it for the Oxfordshire coroner to issue a final certificate of death giving reasons for the death rather than an interim certificate, which would have been a possible option?

Mr. Wills: As the hon. Gentleman knows, coroners are independent. They are not, as he suggested, subject to ministerial pressure or intervention, and that was the coroner's decision at the time, as he knows. If he wishes to present evidence that, as he said, someone was leant on, I shall be happy to consider it, but these are serious allegations, and I hope he can use terms more precise than airy phrase such as "leant on". I assure him that if he writes to me, I will carry out a detailed examination and respond to him. Alternatively, the responsible Minister will respond. The hon. Gentleman knows that I am not normally the Minister who deals with this matter. If he writes to me promptly, I will ensure that he receives a prompt response, before the election is called—whenever that may be.

Lord Hutton's report was published on 28 January 2004. On the same day, the then Lord Chancellor sent the report to Mr. Gardiner in accordance with section 17A(3) of the 1988 Act. Mr. Gardiner then invited representations on whether or not he should resume the inquest into Dr. Kelly's death. At an open hearing in Oxford on 16 March 2004, Mr Gardiner decided that there was no exceptional reason to resume the inquest.

Lord Hutton conducted an extensive inquiry into Dr. Kelly's death. The hon. Gentleman has suggested that the inquiry was of a lower standard than it should have been, but I remind the House that Lord Hutton is a very distinguished member of the judiciary. The inquiry ran, in two stages, between 1 August and 13 October 2003. Evidence was taken from 74 witnesses, including Ministers, civil servants, police officers and ambulance staff. Dr. Hunt, the forensic pathologist, gave evidence, as did a toxicologist who examined items taken from Dr. Kelly's body. Transcripts of the evidence were made available on the inquiry's dedicated website, as were documents that were submitted in evidence, where appropriate. That website can still be accessed today. Everything has been done to make the process as transparent as possible.

I will ensure that the freedom of information request is chased up. I am sorry that the time limit was exceeded. It should not have been. Time limits are there for a reason. Unfortunately, there has been a considerable backlog in various areas, which is not acceptable. We are making considerable progress in clearing that backlog, but I agree with the hon. Gentleman that he should have received a reply by now and I shall ensure that that is chased up. I hope that we will get him a reply without further delay. As I say, we are trying to do everything we can to make this process as transparent as possible.

After considering all of the evidence, Lord Hutton concluded that Dr. Kelly took his own life, and that the principal cause of death was bleeding from wounds to his left wrist which Dr. Kelly had inflicted on himself with the knife found beside his body. Lord Hutton also found it probable that the ingestion of an excess amount of co-proxamol tablets, together with coronary artery disease, would have played a part in bringing about Dr. Kelly's death. Lord Hutton was satisfied that no other person was involved in the death and that Dr. Kelly was not suffering from any significant mental illness at the time he took his own life.

Lord Hutton's report was, of course, debated in this House on 28 January 2004, in response to the then Prime Minister's statement. I am aware that, as the hon. Gentleman has again reminded the House, some people have had a considerable degree of dissatisfaction with Lord Hutton's findings. Of course that persists to some extent today, as the hon. Gentleman has exemplified. However, the Government must consider whether there is any basis to go behind Lord Hutton's findings and to re-examine the evidence heard during the inquiry, and at this stage we do not have such a basis on which to proceed. We are always happy to consider new evidence and I again suggest to the hon. Gentleman that if he feels he has new evidence to provide that should cause us to re-examine that decision, we will of course look at it and respond to him. I hope that he will take advantage of that opportunity, if he so wishes.

There was also some critical reaction—we heard this again from the hon. Gentleman today—to Mr. Gardiner's decision not to resume the inquest into Dr. Kelly's death. As I said, coroners are independent judicial office holders, and operational decisions such as this are matters solely for them. It would not, therefore, be appropriate for me, as a Minister, to comment on Mr. Gardiner's decision, other than to say that it was taken fully in accordance with the provisions of section 17A of the Coroners Act 1988. It is important to note that Dr. Kelly's family, the people for whom Lord Hutton's inquiry carried the greatest of personal importance, accepted the findings on the mode and cause of his death, although I am aware that they had some reservations about the extent to which the inquiry considered Dr. Kelly's state of mind at the time and the duty of care owed to him by his employers, the Ministry of Defence. Similarly, it is worth pointing out that Dr. Kelly's family did not challenge Mr. Gardiner's decision not to resume the inquest.

I am also aware—again the hon. Gentleman has reminded the House of this—that calls have been made by third parties for there to be a fresh inquest into Dr. Kelly's death. I believe that the House knows, and I am sure that the hon. Gentleman does, that Ministers do not have any authority to order that a fresh inquest should be held, even if it was considered that there were grounds for such a decision to be taken. The only basis on which a fresh inquest could be held is under the provisions of section 13 of the 1988 Act. Under that section, the High Court

"on an application by or under the authority of the Attorney-General"

can order a further inquest to be held. That can happen only if

[Mr. Wills]

"by reason of fraud, rejection of evidence, irregularity of proceedings, insufficiency of inquiry, the discovery of new facts or evidence or otherwise"

the Court considers it

"necessary or desirable in the interests of justice".

I am aware that a group of doctors is considering making such an application, although I understand that it has not done so to date. This has given rise to some discussion in the media about what was mistakenly reported by the media as Lord Hutton's "decision" to bar for 70 years the release of some documents. Neither Lord Hutton nor anyone else has imposed or ordered that the information not be disclosed for 70 years. Lord Hutton made that clear in a statement on Tuesday 26 January. He said that he had "requested" that the post-mortem examination report relating to Dr. Kelly not be disclosed for 70 years in view of the "distress" that could be caused to Dr. Kelly's wife and daughters. I agree that we should reflect on the distress that will potentially be caused to Dr. Kelly's family by a very public re-visiting of the circumstances surrounding his death. That is not to say that some of the evidence cannot be released, and that will be considered on a case-by-case basis by The National Archives and in the Ministry of Justice.

Taking all that together along with the fact that—as far as the Government can see at this stage, based on the information available to us—there is no new evidence to suggest that such a move is necessary, the Government cannot see that there is a basis on which to re-examine the circumstances surrounding Dr. Kelly's death. Having said all that, I know that the hon. Gentleman is an indefatigable campaigner and I am happy to give an undertaking on behalf of the Government today that if he comes forward with new evidence we will engage with him in discussing it and in seeing whether there is any reason to re-examine our position. I am grateful to him for his courtesy in listening to me and I am sure that this dialogue will continue.

Question put and agreed to.

3 pm

House adjourned.

Westminster Hall

Tuesday 23 February 2010

[MR. ROGER GALE *in the Chair*]

Pensioner Poverty

Motion made, and Question proposed, That the sitting be now adjourned.—*(Angela Eagle.)*

9.30 am

Jo Swinson (East Dunbartonshire) (LD): I am pleased to have secured this debate on pensioner poverty, although it is depressing that such a debate should be necessary. It is surely a scandal that, in one of the world's most developed and prosperous nations, one in five elderly people still live below the breadline. That is a total of more than 2 million individuals.

I wish to discuss some of the causes of pensioner poverty and say what more can be done to help one of the most vulnerable and deserving groups. Today, 1.3 million pensioners rely on the state pension as their sole source of income, but at £97 a week it clearly is not enough to achieve a standard of living that most people would find acceptable. Our state pension is among the lowest in the developed world. Among the 27 OECD countries, only Japan, Ireland and Mexico have a lower state pension measured as a proportion of the national average wage.

Had the link with earnings not been broken in the 1980s, the basic pension would now be £40 a week higher. It is only fair that pensioners should share equally in the growing prosperity of the society that they helped to build. The Government recognise that pensions must be re-linked to earnings but they are not committed to doing so until 2016. Even then, we will be left with a state pension system that Ros Altmann, the pensions expert and former adviser to Tony Blair, described as one of the lowest and most complicated in the developed world.

Women are hugely over-represented among the poorest pensioners. Not only are they far less likely to have savings, but thousands do not receive the full basic state pension. Even after the lowering of the threshold for national insurance contributions later this year, a quarter of women will still not qualify for a full basic state pension, mostly because of gaps in their NI contributions as a result of bringing up their children. To make matters worse, with life expectancy for women exceeding men by more than five years, increasing numbers of women are left living alone. I hope that the Minister agrees that we should be working towards a fairer system—one in which individuals who have lived in this country for their entire lives should be guaranteed at least the full basic state pension.

I draw the Minister's attention to the outrageous sums that are left unclaimed by some of the UK's most vulnerable pensioners. One of the main reasons for the unacceptable level of pensioner poverty is the under-claiming of pension credit and housing and council tax benefits; as much as £5 billion is unclaimed every year. That is £13.9 million every day.

Lorely Burt (Solihull) (LD): I am grateful to my hon. Friend for giving way so early in her speech. Is it not the case that much of the problem is caused by a sense of pride? Many pensioners do not want to make a claim for means-tested benefits. They see it as some sort of personal failure. Pensioners should automatically receive a citizen's pension that takes account of all the benefits to which they should be entitled, including pension credit, without having to go cap in hand to the state.

Jo Swinson: My hon. Friend makes a valid point about one reason why many pensioners do not apply for or claim pension credit and therefore do not receive it. That is why I would like to see the basic state pension ultimately raised to such a level that the current system was not needed. For as long as the pension credit system exists, the Government should, at least ensure that pensioners receive all the money to which they are entitled. However, Government figures show that that is not happening; the number of eligible pensioners not receiving their full benefits is rising.

Mr. Nigel Waterson (Eastbourne) (Con): I am following the hon. Lady's remarks closely. May I ask her to clarify precisely her party's policy on the citizen's pension? What level would it be fixed at, and how much would it cost over and above what is spent at the moment?

Jo Swinson: The hon. Gentleman, I am sure, takes a great interest in the policies of the Liberal Democrats. He will doubtless be interested to hear what my hon. Friend the Member for Northavon (Steve Webb) has to say later in the debate.

It was Liberal Democrat policy at previous elections to have a full citizen's pension at the level of the minimum income guarantee. That is still an aspiration, and we will work towards it, but everybody knows that in these straitened times that may not be immediately achievable. It is important that we should continue to have that aim, but the Government have not yet accepted the principle that a citizen's pension is the way forward. Frankly, that is something that the Minister ought to be able to do today.

The latest report from the Department for Work and Pensions on the take-up of income related benefits shows that 35 per cent. of people aged over 80 do not claim pension credit despite being eligible. Indeed, the Government's latest report shows that the amount of unclaimed pension credit rose by 3 per cent. between 2006-07 and 2007-08. The fact that such enormous sums are not being claimed each year indicates that the system is too convoluted for many people to understand.

Bob Spink (Castle Point) (Ind): The hon. Lady is right to bring such an important matter to the House before the election. It is something that people will be considering most carefully, and I congratulate her on bringing it to the attention of the House.

Will the hon. Lady put some meat on the bones? One in three pensioners fail to claim pension credit. They lose an average of £1,477 each year. It is often the poorest people who are disadvantaged, which is why the matter is so important.

Jo Swinson: I thank the hon. Gentleman for that intervention. He is quite right. Of course, by not claiming pension credit, those people become ineligible for other benefits, thus compounding the problem.

[Jo Swinson]

Age Concern Scotland describes as complex the system of calculations that a pensioner has to go through in order to work out their pension credit entitlement. The form to claim pension credit is 18 pages long. Once applicants have secured the guaranteed part of the pension credit, they become eligible for full help with housing and council tax—but to get it, they have to complete another form that is 40 pages long and takes three weeks to process. The Government's proposals to pilot the automatic payment of pension credit, set out in the Welfare Reform Act 2009, could begin to address the problem. Those proposals are important, and I hope that the Minister will say when secondary legislation will be introduced to allow the pilots to go ahead.

According to Age Concern and Help the Aged in Scotland, the DWP and Her Majesty's Revenue and Customs already hold the information necessary for such a scheme to be implemented nationally. We should aim to provide those elderly people in most need with simple and accessible methods of claiming. The evidence that I have outlined shows that the Government are failing some of the most vulnerable and disadvantaged pensioners. The Government know that the state pension is too low, and they rely on benefits to provide pensioners with what the Government consider to be a minimum living income. It would be fairer to move away from this flawed system of benefits, and increase the pension to a decent level that would at least meet that minimum level of income.

John Penrose (Weston-super-Mare) (Con): The hon. Lady puts her case most clearly. Does she agree that it is not just a question of complexity, although that is a real problem, but the fact that the incredibly long and complicated forms that she eloquently described are perceived by many pensioners, including those in my constituency, as being demeaning? They feel that they are unnecessarily and unfairly being obliged to parade their poverty, particularly given that they have paid contributions throughout their working lives. They believe that they should not be put through that. They would far rather go for a restoration of the earnings link at an earlier date. Does the hon. Lady agree that one of the worst outcomes of the current financial crisis is that the Government's projected date of 2013 is drifting backwards in time, because the Government's finances are so tight?

Jo Swinson: The hon. Gentleman makes his point well. It is similar to that raised by my hon. Friend the Member for Solihull (Lorely Burt). Many elderly people feel demeaned by having to go cap in hand to the Government. Having a universal system would be much better. I agree that the earnings link should be restored as a matter of priority.

Malcolm Bruce (Gordon) (LD): My hon. Friend made an important point in saying that if people do not claim some benefits they will not qualify for others. We are experiencing the coldest winter for many years, and many pensioners are cutting their heating. In areas such as my constituency, which are particularly cold, many do not get the cold weather payments because they have not applied for benefits to which they would otherwise automatically be entitled. Is it not time that we gave the benefits to those who need them without making them claim?

Jo Swinson: My right hon. Friend anticipates me and moves me seamlessly on to the issue of fuel poverty. The plight of the poorest pensioners has been worsened recently by rising fuel prices. Pensioners are more likely to be fuel poor than any other group, and, tragically, are also the most vulnerable to the effects of the cold.

Recent research commissioned by Age Concern and Help the Aged in Scotland showed that in the winter of 2009 a third of people aged over 55 turned down their heating because of fears about their finances. Given that we have just experienced one of the coldest winters for many years, surely such a statistic should give us great cause for concern. Indeed, turning down heating can have dire consequences for the health and well-being of the elderly poor. It is estimated that fuel poverty contributed to the deaths of 36,000 people last year.

Last year, 2.7 million pensioner households—one in three—were living in fuel poverty. This year, with energy prices higher than ever and the prolonged cold weather forcing people to heat their homes for longer, the figures are bound to be worse. Meanwhile the Government's measures to tackle fuel poverty are condemned as "not fit for purpose" by the Institute for Public Policy Research in its report, "The Long Cold Winter: Beating Fuel Poverty". As has been mentioned, eligibility for cold weather payments depends on having applied for pension credit, so many payments go unclaimed. In my constituency of East Dunbartonshire, nearly 1,500 eligible pensioners have missed out on cold weather payments this winter.

Energy companies have, on the whole, not reduced their tariffs in line with falling wholesale energy prices, allowing them to rake in record profits. The cheapest energy tariffs are often only available online, to be paid by direct debit, which many older people are unable or unwilling to access. Many older people do not have a bank account, but use Post Office card accounts. Extending such accounts to allow direct debit payments would not only support our post offices but enable pensioners to reduce their bills. Although such a move would be a welcome first step, surely the cheapest energy should be available to pensioners with the lowest incomes in the form of social tariffs.

The most sustainable and cost-effective way to tackle fuel poverty is to invest in energy efficiency measures and better insulation and heating systems in people's homes, because that will cut fuel bills for years to come. The Warm Front programme in England and the energy assistance package, as it is now called in Scotland, could be very welcome interventions. However, many poor pensioners are still not reached by such schemes, and there is scope for both to be radically expanded. I am sure that other hon. Members also feel incredibly frustrated by such schemes. In Scotland, to be eligible for replacement central heating, a person's existing central heating must be broken beyond repair. At that point—a person will not be eligible if they apply before it is broken beyond repair—a company will agree to send someone out within a couple of weeks to carry out an assessment. Then it will decide whether the person is eligible, and then it can be weeks or months before new central heating is installed. If someone's central heating breaks beyond repair in November, then this scheme is not much good.

Many pensioners on low incomes rely on the interest they earn from savings to keep them out of poverty, but with interest rates currently near zero such people have seen their incomes decrease drastically over the past few years. Shockingly, the Government currently take no account of lower interest rates when calculating how much council tax benefit or pension credit a person receives. Income from savings is assumed to be 0.2 per cent. a week, which currently bears no relation to reality and means that thousands of pensioners are having their incomes overestimated.

It is hard to express the frustration that is felt by savers, so I want to share a few comments from some of my constituents. Mr. C said:

"I have just retired and planned to use the interest from my savings to live on, however with the latest cut in Bank Base Rate, I will be struggling."

Mrs. B. said:

"So many pensioners and others rely on small amounts of interest on saving to make the difference between poverty and a reasonable existence... The Government seems to be helping those groups who have failed in business and many people who have made no effort to live a responsible life, and is ignoring those who have made every effort possible."

That sums up the feelings of many savers in this country.

Furthermore, the compulsory annuitisation of pension funds at the age of 75 is forcing struggling pensioners to accept far lower rates of annuity than they might receive if they could wait for the financial situation to improve. One 74-year-old constituent told me that having saved all his life, he felt that he was now being penalised by having to purchase an annuity at the worst possible time, and that his personal and private savings plan had been "shot to pieces" as a result.

Retirees buying an annuity today are getting pension incomes of almost half that of their counterparts back in 1994. Alternatively secured pensions, the only alternative to annuitisation, are highly taxed and can be withdrawn only at 70 per cent. of an annuity, making them not a financially viable option for the poorest.

The Economic Secretary to the Treasury acknowledged in a letter to me that ASPs are "not suitable for everyone" and advised that people seek independent financial advice before taking one, which is a luxury that many cannot afford. I can see no good reason to continue to require people to annuitise their pension savings by the age of 75.

A culture of inequity in the treatment of our aged, together with discriminatory Government policy, have led to a troubled end to some elderly people's working lives. Research by the Third Age Employment Network before the recession showed that only 31 per cent. of over 50s made redundant succeed in getting a new job within three months. Only 32 per cent. of those manage to keep their former level of pay, and on average they had to take a pay cut of more than a quarter. In the past year, long-term unemployment among men over 50 has doubled. Such an exit from the job market, coupled with the default retirement age, leaves some pensioners who have worked all their lives in a desperate situation. They are being forced to retire earlier than they had planned, which many cannot afford.

Government policy that disadvantages our elderly community in the workplace plays a major role in exacerbating pensioner poverty. I refer here to the default retirement age of 65 for men and 60 for women.

Jeremy Corbyn (Islington, North) (Lab): Does the hon. Lady acknowledge that one of the major problems is that employers obsessively employ younger workers and do not recognise the value of older workers, particularly those with previous experience? There is anti-discrimination legislation and she should at least acknowledge that.

Jo Swinson: I welcome the hon. Gentleman's intervention. Part of the problem with the current legislation is that it does not apply to older workers. I agree that often older workers in the workplace are undervalued. A more flexible approach to retirement could benefit older workers and employers. By retaining older people in work, perhaps on a part-time basis and on a sliding scale towards retirement so that they are not facing a cliff edge, employers will ensure that skills and experience are passed on to younger workers.

In its fifth report, the Work and Pensions Committee was pretty damning of the default retirement age, describing it as "discriminatory and unnecessary" and stated that the Committee looked forward to its being abolished. It is still legal to force a worker aged 65 to retire against his or her will purely on the basis of age. It is similarly legal to refuse employment on the same grounds. It is outrageous that only a third of people retire voluntarily, while the rest face an often depressing end to a life of valuable contributions to this country. The anger felt over such a policy is reflected in the fact that almost nine out of 10 people over 50 think that the default retirement age is unfair.

I ask the Minister to consider changing the draconian and wholly unfair law on older people's right to work. The Equality Bill could be a good vehicle to do that, but given the current discussions, it looks like the Government do not plan to take that step.

The Minister for Pensions and the Ageing Society (Angela Eagle): Will the hon. Lady at least acknowledge that we brought forward a review of the default retirement age this year? The call for evidence on that has now closed and we are considering the evidence even now. In the interests of fairness, she should at least have acknowledged that. Clearly, there is a great deal of support in general for the idea that we should end the cliff edge of retirement, and we are even, as she speaks, examining the evidence that has come in from both employers and employees on this important matter.

Jo Swinson: The Minister clearly puts her points on the record, but they are not much consolation to those individuals in the job market who are currently facing discrimination and being told to retire before they wish to do so. We hope that, as a result of the review, people turning 65 will not be discriminated against in such a way. It is worth noting that when the Government were taken to court last October by Age Concern and Help the Aged over the compatibility of this policy with human rights legislation, they were allowed to uphold the law only because of their promises to review the system. In his judgment, Mr. Justice Blake said:

"I cannot presently see how 65 could remain as a default retirement age after the review."

I very much hope that after the review the default retirement age will change.

I know that there are many right hon. and hon. Members here who wish to speak, so I would like to conclude by saying that if we take these issues together—the pitiful state pension rights, the fact that thousands of

[Jo Swinson]

elderly people are missing out on money that is rightfully theirs, the concerns about heating homes in the winter and the fact that savers are being hit by plummeting interest rates—it is no wonder that many pensioners feel abandoned by Government. So I will finish with the words of one of my constituents, Mrs. M, who wrote to me to say:

"Elderly people do not seem to have a voice."

I hope that this debate today goes at least some way to providing that voice.

9.50 am

Mr. Andrew Pelling (Croydon, Central) (Ind): It is a great pleasure, Mr. Gale, to serve under your chairmanship.

I would very much like to congratulate the hon. Member for East Dunbartonshire (Jo Swinson), who has secured a number of important debates on social issues in Westminster Hall and the main Chamber. I would also like to place on record my thanks to Michael Knight of Croydon Retired Peoples Campaign—a group that I will address next week at Ruskin house—and Malcolm Felberg, who chairs the Croydon local involvement network. Both of them have made a significant input regarding our concerns in Croydon about the situation for the elderly, particularly those in pensioner poverty, and the approach that we must take to address those concerns.

We should place on record, however, the very good work that the Government have done in taking more than a million pensioners out of poverty, albeit against a background of significant deterioration in income and equality generally within society since 1997. As the hon. Lady said, the basic state pension of £95 a week is still—horrendously—below the official poverty measure of £165 a week. That particularly affects female pensioners, who tend to live longer than their spouses. They are especially affected if they have operated as single parents for a good deal of their working lives.

I am also interested in the experience that pensioners have when they encounter the NHS. The way in which ill health is treated can often have a very real effect on pensioners' income and wealth status. I am particularly exercised by the effect on people's standard of living when they have a fall on icy or uncleared pavements, and was pleased by the response from Lord Adonis, the Secretary of State for Transport, to the problem. In my local Mayday hospital, the number of fractures went up by a factor of five when pavements remained uncleared. There may well be a very good argument for money's in the NHS being spent on clearing pavements, as they have been—I know that this is controversial—in Durham, because doing so has a substantial effect.

John Mason (Glasgow, East) (SNP): I had the impression that, when the pavements were bad, people were almost imprisoned in their houses, which meant that they either had to spend more on fuel or sit in the cold. Does the hon. Gentleman agree that that was the case?

Mr. Pelling: The hon. Gentleman makes a very good point, because if people are imprisoned in that way, it has a very significant impact on their mental health. The general issue is one of quality of life for the elderly. Perhaps it is the result of poor public transport—we are probably blessed with better public transport in Croydon than people are in the hon. Gentleman's constituency, although I know that Scotland invests a great deal in public transport—but it is an important concern.

The most significant illness affecting pensioners is dementia, yet the research funding for dementia is less than 2 per cent. of research funding for cancer. Obviously, I am not quarrelling with the amount that is spent on research funding for cancer, but with an ever ageing population and with more and more NHS funds being used to care for dementia sufferers, research funding for dementia is an issue worthy of consideration.

The hon. Lady and her right hon. and hon. Friends rightly emphasised the importance of the experience of the hardest winter for 30 years. It is estimated that the proportion of pensioners who have found themselves in fuel poverty has gone up from what might be described—rather sadly, perhaps—as the normal 25 per cent. to 40 per cent. this year. It is bad enough that many pensioners have to choose between heating and feeding themselves, while also giving consideration to the fact that they might have to use any spending money they have on care services. It is fair to say that in my local authority—and I am sure that this is true elsewhere—increases in care service prices, if pensioners are not otherwise supported by the public sector, are a matter of great concern.

Bob Spink: While we are discussing caring and care services, single women, instead of working, are often carers and they do a superb job—and a very worthwhile job for society at large—for those for whom they are caring. However, does the hon. Gentleman accept that, when they eventually become pensioners, they suffer particularly badly, so the Government must find better ways to reward carers and to recognise the contribution that they make to society before they become pensioners?

Mr. Pelling: I am very grateful for my hon. Friend's comments—I know that he has raised that issue in the House. To some extent, the Government are listening on this issue, but it is a very important concern.

Angela Eagle: I hope that all right hon. and hon. Members here today will recognise the changes to carer credits for national insurance contributions, which are due to be introduced in April. Weekly national insurance credits will be granted to those who care for other individuals for more than 20 hours a week. As for those who care for others for 20 to 34 hours a week, but who are not known to the benefits system, we are very anxious that they should apply for their credits, because doing so will ensure that they can make up their own basic state pension when they retire. We need help to identify those carers, and I hope that all right hon. and hon. Members who are here today will note that and go back and work in their own constituencies to help us to find them.

Mr. Pelling: I am very grateful to the Minister for that intervention, and I think that that is a very good example of joined-up government. That approach, as long as we are in the happy situation of having that capacity and making it known to potential recipients, is a very cost-effective, caring and compassionate way of operating Government activity.

Nevertheless, I sometimes feel a sense of frustration—perhaps on behalf of the Minister—at the way in which British politics has progressed. In many ways, the Pensions Minister is not responsible for many pension issues, because of the arm's length approach that has been adopted. I went to see one of the Minister's predecessors to discuss my concern about how particular private sector pensioners have suffered as a result of the demise of Allders, the company for which they worked. The response that I received then was very much, "Well, these are not responsibilities for the Minister any longer—they are at arm's length and they are with the regulator." Going through that process can be very frustrating.

I wish to declare an interest, as my father recently turned 75, and faced the very difficult situation of having to deal with an annuity, particularly at a time when the financial markets were in serious difficulties. The hon. Member for East Dunbartonshire emphasised the interaction of benefits and the fact that that many pensioners just turn their minds against claiming benefits, because they feel that there is a stigma involved in doing so. I am concerned about constituents who have had to deal with the fact that the interaction of bereavement benefits—obviously that is something that very much affects pensioners—sometimes has an adverse impact on other benefits to which they are entitled.

Several Select Committees have emphasised the good practice demonstrated by Service Canada, which provides a single point for Canadian people to gain advice, and operates in a non-stigmatising way. We can take encouragement from that example. It is extremely difficult to provide such a service, but it is something to which we should aspire.

I mentioned at the outset Croydon's performance in this area. I am very concerned that a lot of provision for the elderly has been cut back. For example, the Foyer, which is in north Croydon, did a lot of work with senior citizens, but funding for that centre has unfortunately been cut. I suppose that that is a prospect that we will face generally, as public expenditure is reduced. Nevertheless, I congratulate Croydon council particularly for providing disabled pensioners with the AskSARA system, which does a great deal of good internet-based work—admittedly, it is only available in that medium, and I will make a point about that in a moment—that tries to offer a good understanding of their problems. The system is easy to use, and helps pensioners to identify the appropriate services and equipment that Croydon council provides for the frail and disabled. Of course, the internet is not available to all pensioners, so take-up is lower than it is in other groups. I was disquieted by the approach of Southern Railway, whose consultation on rail services is now built wholly around the internet. That is unfair to many pensioners, who are thus excluded.

I am mindful that other Members want to speak. I appreciate that the country faces significant financial difficulties in the coming months. However, in considering macro-economic policy, we must remember that pensioners are likely to spend 100 per cent. of their resources—or perhaps more, making it a dissaving. Money pumped into the economy through pension increases is likely to have a stimulating effect. We need seriously to consider increasing the basic state pension, so that it at least approaches the official poverty level, to £150 a week.

10 am

Jeremy Corbyn (Islington, North) (Lab): I congratulate the hon. Member for East Dunbartonshire (Jo Swinson) on securing this debate. I thank her for the information that she shared and the Minister for her interventions. It shows the value of having intelligent debates in Westminster Hall about issues such as pensioner poverty.

It is worth recording that the state pension came about just over 100 years ago after enormous campaigning and pressure by radical organisations, trade unions and Churches and was finally forced into being through Lloyd George's Budget. The pension had a mixed history for a long time. Although it was designed to alleviate the most appalling poverty, it never succeeded totally in doing so, as it tended to rise and fall depending on how successful or otherwise the economy was. During the deep recession of the 1930s, the pension did not go anywhere near meeting the needs of the poorest. It has always been a sticking plaster rather than a solution to the issue of pensioner poverty, as I am sure my professor colleague the hon. Member for Northavon (Steve Webb) would agree.

The great step forward in pensions came in 1975, with the late Barbara Castle's heroic legislation. In the teeth of an economic problem, massive inflation rates and huge demands on public spending, she managed through force of personality to persuade the Cabinet to pass groundbreaking pensions legislation that recognised pensioner poverty as well as discrimination against women and those not in any of the then big occupational industrial pension schemes. It introduced the state earnings-related pension scheme to accommodate those who were not in any other supplementary scheme and ensured that the state pension rose year on year in line with inflation or earnings, whichever was larger.

The state pension as a proportion of average earnings rose considerably during the next five years while that link was maintained, despite all the economic problems that this country faced during that period. We should pause for a moment to recognise Barbara Castle's great work and the heroism surrounding it. It must have been extremely difficult to get such legislation through the Cabinet at the time.

Steve Webb (Northavon) (LD): Does the hon. Gentleman share my dismay that this year's pensions uprating adds 2.5 per cent. to the basic pension but freezes state earnings-related pensions? Will he consider—I will not ask him for a commitment now—joining us in the Division Lobby next Monday when we vote against the decision to freeze the SERPS uprating? We believe that pensioners should not bear the brunt of the cuts.

Jeremy Corbyn: I am always reluctant to vote independently of my Whip, but I will consider the situation—

Mr. Pelling: After consultation.

Jeremy Corbyn After due consultation.

I accept the point made by the hon. Member for Northavon about the current uprating. To return to the link with earnings, we must place responsibility where it is due. The 1980 Conservative Government broke that link, which was a monstrous thing to do. They then

[Jeremy Corbyn]

moved on to the Social Security Act 1986, on whose Standing Committee I had the misfortune to sit. The Act put into law a continual reduction in the value of the state pension, abolished the state earnings-related pension scheme and set up the principle of a market for private pensions in this country, which is rather at variance with the European tradition and is still playing out today in the level of the state pension. Many people suffered grievously from the mis-selling of pensions and corrupt private pension schemes.

We are still in that bind and cannot seem to get the idea that in a welfare state it is the state's responsibility to ensure the elimination of poverty among everyone in retirement. That must be a primary responsibility. We accept the welfare state in terms of universal health care and education provision; we should also ensure that we accept the state's major responsibility to ensure the elimination of all poverty in retirement. However, it would be ridiculous to say that there have not been huge changes over the past 10 years. There was a big debate before the 1997 election, particularly in the Labour party, about whether we should re-link pensions to earnings and make the state pension the basic motor for the provision of income on retirement or go for what has turned out to be pension credits, pension top-ups or whatever nomenclature is put to them. Essentially, that debate was lost by those of us who wanted an immediate restoration of the link between pension and earnings and therefore a much higher basic state pension.

Of course I welcome pension credits in that they put money into the pockets and handbags of people who would not otherwise have it. I regularly attend meetings of the Islington Pensioners Forum, and I always say, "Claim every single thing you can." However, I recognise, as I am sure does everyone in this Chamber, that under a means-tested system involving a complicated application process, no matter how nice, supportive and helpful the people are on the other end of the phone line or in the local office, many people simply will not claim. Either they feel that they should not, or they are put off by the bureaucratic procedure involved. We must recognise that as one big problem.

The other—I will return to it in a moment—is that occupational pension schemes are disappearing quickly as company after company tries to close final salary schemes to new members and move to earned savings schemes, which are not as beneficial. Such schemes, of course, become less sustainable anyway. A pension system that relies heavily on stock market prices gives a pretty grim outlook for an awful lot of people in work at present. Although they would not thank me for saying so, many among the present pensioner generation are better off than those further down the line are likely to be under the current system. We must think seriously and carefully about that.

Mr. David Drew (Stroud) (Lab/Co-op): My hon. Friend will know and, I am sure, accept that that situation was made much worse by the mania for early retirement during the 1980s, when people were bought off, which put pressure on the funds later. It was also made worse by pension holidays. With the benefit of hindsight, allowing and encouraging them were one of the most disreputable acts of any Government. I am sure that he will agree.

Jeremy Corbyn: One of the most depressing experiences that I have had in the House was serving on the Select Committee on Social Security in the mid-1990s and investigating the Maxwell pension fund. Robert Maxwell appeared to be on a permanent holiday as far as pension contributions were concerned. Like all permanent holidays, it disappeared, taking the funds with it. My hon. Friend is absolutely right that inequity in the running of pension funds is crucial. I realise that things have moved on a lot since then, but there are still reasons for concern.

To quote some statistics on the current scale of pensioner poverty in Britain, the number of people living in severe poverty—on less than 40 per cent. of the median population income—has increased by 600,000. The incomes of the poorest quarter of pensioner households rose by less than 1 per cent. last year, and the real incomes of the poorest single pensioners dropped by 4 per cent. At least 15 per cent. of pensioners, or more than 1.5 million people, live in persistent poverty, having lived on less than 60 per cent. of the median population income for three of the last four years. We have to recognise that there are significant pockets of pensioner poverty and deprivation.

As a proportion of average working pay, the state pension in Greece is the highest in Europe at 95.7 per cent. and that in the UK is among the lowest at 30.8 per cent. Those are headline figures that do not necessarily include other sources of income from state benefits, but one can see the scale of the issue and the effectiveness and efficiency of a non-means-tested, high-value state pension, compared with any other form of benefit. I think everyone now recognises that means-tested benefits tend to end up with low take-up and with a lot of people missing out.

There are two huge areas of even worse poverty. The hon. Lady rightly drew attention to the problem of the general low level of pensioner income among women. As a union organiser in the 1970s and 1980s, most of the members I represented were women working part time in school meal or school cleaning jobs. Unfortunately—I say unfortunately because of the consequences—they were offered the right to pay a lower rate of national insurance contributions. Understandably, offered the choice between paying A or B, where B is lower than A, most people chose to pay B without much thought for the long-term consequence of smaller pensions. That was a main contributory factor to poverty.

Another major contributory factor was the lack of job security for many women workers. Most men at the time tended to be in occupational pension schemes, whereas women did not. That was what the Barbara Castle legislation tried to fix and what the Conservative Government of the 1980s tried to destroy. The median income for women on retirement is only 57 per cent. of that of men. Only 30 per cent. of women who reach state pension age are entitled to a full basic state pension, compared with 85 per cent. of men. One in five single women pensioners risk being in poverty in retirement. Almost 63 per cent. of divorced and separated older women have no private pension income.

Angela Eagle: My hon. Friend's analysis of the gender difference in access to pensions is spot on. I hope he acknowledges that in April there will be an historic change in access to the basic state pension. We are

reducing the required number of national insurance contribution years from 39 for women and 44 for men to 30 for everybody. At a stroke, that will mean that 75 per cent. of women qualify by their own right. By the end of the decade, that will eliminate the gap in the access to the basic state pension between men and women.

Jeremy Corbyn: I welcome that and the fact that the Government recognise the huge problem, in particular the problem of broken careers among women, which usually occur because they have children and stay at home to bring them up. We must recognise that there is a big improvement on the way and I welcome that.

The other area of enormous pensioner poverty is among ethnic minority people. The number of ethnic minority pensioners is small, but it will rise rapidly over the next 10 or 20 years. We are all aware of that from our constituency work. The proportion of ethnic minority elderly people who are in great poverty is much higher than for any other group. They make up only 3 per cent. of people above state pension age, but they are often in considerable poverty because of discrimination in the workplace, for example in promotions and the inability to get a permanent job, particularly, in the past, one that had a pension attached to it. That is another pocket of high levels of poverty that we must recognise and do something about.

I will be brief, Mr. Gale, because I know that other hon. Members wish to speak. I just want to mention other areas of support for pensioner households that tend, unfortunately, to be patchy and sporadic. The travel permit and travel pass systems are welcome if pensioners get free travel on all public transport. London paved the way with the Greater London council bus pass, which was introduced in the early 1970s. That morphed into the freedom pass, which is now universally available across London, and I welcome that. The Government have done a great deal to extend the concept of supported or free bus and rail travel across the country. We must recognise that these are important things and that in this time of recession and pressure on Government spending, they should not even be considered for a cut, but should be fully supported because they provide freedom of movement.

Mr. Pelling: I will be brief because other hon. Members wish to speak. It is important for politicians to defend the freedom pass because many local London councils that are upset about changes in funding and about money being taken away from London and put elsewhere talk rather darkly of compromising the provision of the freedom pass.

Jeremy Corbyn: I hope that they will not compromise the provision of the freedom pass. There is no threat to the freedom pass in London as long as the local authorities ensure it is provided. Under the Conservative Government of the 1980s, we saved the pass in London only through a consortium of local authorities and last minute changes in the legislation. The freedom pass is important.

We must also look at caring and nursing costs. The provision of care arrangements is often inadequate. The use of agency staff by local authorities for the care of frail elderly people in the home means that there is often a lack of continuity in care. We must look at the quality of care that is provided because it is patchy. There is nothing better than a publicly employed person with a secure job whose responsibility is to look after an elderly person in their home. The same person should go everyday so that a good relationship is built up. That is good support for the community. If that work is done by contractors and agencies with different people going in every day, it is distressing and disturbing for the elderly people and we end up with a less harmonious and less happy society.

I will conclude with the suggestions put forward by the National Pensioners Convention to the Work and Pensions Committee on tackling pensioner poverty in Britain. It outlined many issues concerning the level of the state pension. We should recognise the great work of the National Pensioners Convention, which is an effective campaigning body, in not only mobilising large numbers of elderly people across the country, but bringing to the attention of younger and middle-aged people in work that it is their responsibility to campaign for decent pension provision and to ensure the elimination of poverty in retirement.

I will quote two points made by the National Pensioners Convention:

> "The National Insurance Fund remains the most secure way of funding decent pensions in retirement, but its status is being undermined by the government's policy of using the excessive balance held in the Fund for public expenditure other than that of pensions and benefits for which it is intended".

There is a serious debate to be had about that. The next point states:

> "The basic state pension provides the most obvious and effective method of tackling pensioner poverty, both now and in the future. It should be set above the officially recognised poverty level and paid universally to all pensioners. This could be easily afforded by introducing a number of changes to the national insurance and taxation systems".

Essentially, the point is that it is the responsibility of us all, through national insurance and taxation systems, to ensure that pensioners receive enough money to live on decently and safely in retirement. It is simply not right that people go through the disfigurements of poverty, borrowing from children or just trying to scrape by. As I said, the welfare state should apply to pensioner income as much as it applies to health and education.

Mr. Roger Gale (in the Chair): I was going to call the Front Benchers at 10.30, but I am afraid we are running out of time because of the length of the speeches. I urge brevity on hon. Members.

10.19 am

John Mason (Glasgow, East) (SNP): I will try to be reasonably brief and not raise points made already. I congratulate the hon. Member for East Dunbartonshire (Jo Swinson) on obtaining the debate and on being brief in her opening speech. As we are the only two non-Labour MPs in the Greater Glasgow area, I think we have a certain affinity.

The complexity of the benefits system and people not claiming has already been covered, so I shall not spend time on that. However, I wish to underline that it is a huge problem. I recognise—as all hon. Members who have spoken have—that if the system is too complex and uptake is significantly short of where it should be,

[John Mason]

something is wrong and we need to consider the need to have a much more universal provision, whether that is a citizen's pension or whatever.

Another area on which I would like to touch is the gap between the rich and poor in our society generally. Clearly that issue does not affect only pensioners, but it certainly includes them. When people reach pension age, how much they have, how much they owe and what their wealth is are key factors. A recent report said that the top 10 per cent. in our society have at least £853,000 of wealth and the bottom 10 per cent. have a maximum of £8,800. So the top 10 per cent. have at least 96 times as much as the bottom 10 per cent. I accept that we cannot all be exactly the same, but it seems that 96 times as much is rather too large a figure. Another comparison on the income side is that since 2000, the ratio of FTSE top 100 bosses' income compared with that of an employee has risen from 47:1 to 128:1. That has happened under the Government's regime and shows that there is something seriously wrong. Income during working life clearly has a major impact on one's income as a pensioner.

That leads me to my next point about company pension schemes, which has already been mentioned, particularly by the hon. Member for Croydon, Central (Mr. Pelling). Almost every day, we hear about the closure of final salary schemes and, as he suggested, such a situation is surely storing up problems for the future. It might be cheaper for people not to save in the short term—that is obviously the case for employers—but, in the longer term, we will be left with more of a problem.

We read complaints in the press and from the private sector that the public sector is far too generous in its pension provision, but the reality is that many ordinary public sector workers get a very modest pension when they retire. It is very much the exception rather than the rule that there are huge pensions either in the public or private sector.

Angela Eagle: Does the hon. Gentleman agree that in relation to the public sector pension, the average payment is currently around £5,000? It is extremely peculiar to describe that as a gold-plated pension, yet that is what we hear from those who wish to attack public sector provision. Does he agree that the public sector provision needs to be defended?

John Mason: I completely agree with the Minister on that point. In a constituency such as mine, where people are probably earning a bit less than average, they are possibly getting even less than that. The matter is very important to those people and such a pension is certainly not gold-plated. We should surely bring the private sector up to the public sector, rather than the other way around. I wonder whether employers are getting off too lightly and if there should be much more compulsion regarding employers contributing to employees' pension schemes. The reality is that that is often why the private sector can undercut the public sector when it comes to contracts in the local authority or elsewhere. The private sector has lower pension costs and is able to win contracts, but, in the long term, such a situation is causing a problem. I accept that it is unlikely we can return all employees to defined benefit schemes and that putting all the risk on employers is perhaps unfair, but to switch to the other extreme of putting all the risk on employees is also unfair. It should be possible to come to some kind of compromise where risk is shared.

There is also clearly an issue regarding spending priorities. When we face tight financial times, we have to choose priorities. We have to choose between nuclear submarines or going around the world fighting wars as if we were still an empire, and putting money into helping pensioners and other vulnerable groups. Surely the reason why Sweden, the Netherlands and such countries have a level of pensioner poverty that is a third of that of the UK is that they are not spending so much on defence and other priorities. Even if the UK has those priorities, can Scotland not be allowed to have a bit more freedom to set its own priorities? I believe that most people in Scotland would want to put more money into pensions and less into nuclear weapons. If we could have fiscal autonomy or accept at least some of Calman's proposals, we would be moving in the right direction.

I wanted to intervene on the hon. Member for East Dunbartonshire to point out that she had not talked a lot about council tax, but I did not get the chance. I believe that her party—mine certainly does—favours a move away from council tax towards something such as a local income tax, which would be based on ability to pay and, at a stroke, would help pensioners and people on a limited income. Such people would not have to apply for anything because that local tax would be based on their income. I congratulate the hon. Lady on the debate and urge the Government to take the issue more seriously. Surely, this is one subject where the Government could be seriously to the left of the Conservatives.

10.26 am

Mark Williams (Ceredigion) (LD): It is a pleasure to serve under your chairmanship, Mr. Gale. I am grateful to my hon. Friend the Member for East Dunbartonshire (Jo Swinson) for raising the issue and am particularly grateful to the hon. Member for Glasgow, East (John Mason) for the speed at which he made his remarks.

These are critical issues. We have a higher proportion of pensioners in Wales than anywhere in the UK—21 per cent. compared with 19 per cent. in England and Scotland. In my constituency of Ceredigion that figure rises to 24 per cent. We have heard the statistics: 22.1 million people in the UK are living in poverty and two out of three pensioners rely on benefits. I want to make three quick points. First, the key trend is that older people tend to be worse affected by inflation than the general population because they tend to spend a higher proportion of their income on things that have had particularly large price increases, such as fuel, food and council tax. The National Pensioners Convention has estimated that 40 per cent. of pensioners' income is spent on those things, which puts pensioners in an acutely vulnerable position.

That is backed up by a 2008 report by the Institute for Fiscal Studies, which talks about food and fuel inflation being at 6.7 per cent. However, for pensioner couples that figure is 7.7 per cent. and for single pensioners it is 9 per cent. Inflation might not be the most pressing problem at the moment—it stands at 3.5 per cent.—but

it looks set to increase, so we need to monitor that position very carefully and look out for those food and fuel spikes.

It would be churlish not to welcome the 2.5 per cent. increase in the pension—the £2.40 and the £3.85—but when we put that in the context of the 50p a month charge on phone lines to finance broadband, we realise how minimal that increase is, not least for constituencies such a mine where there is minimal broadband and a large number of my constituents cannot access it.

I have two specific points for the Minister. The last time we had a debate on the subject in this Chamber was in December 2008. One of the clearest points made was that council tax benefit should be renamed the council tax rebate. The Government were receptive to the idea and an amendment was put forward. The amendment was removed on the basis that the Government would bring that issue forward, but the time frame for that is yet to be forthcoming.

The Royal British Legion has particular concerns. The response from the Minister to the legion stated that the Government would be consulting with local authorities and other key stakeholders in due course. We are still unclear about what "due course" means. Renaming council tax benefit would deal with some of the issues about pride and lack of take-up raised by other hon. Members. It is appalling that only up to 61 per cent. of pensioners eligible for council tax benefit claim it. We need to do something to deal with that issue, which was part of the legion's return to rationing campaign. Research for that campaign revealed that 38 per cent. of older veterans were living on an income less than that required for healthy living.

I reiterate the concerns raised about fuel poverty. Particularly in a rural constituency such as Ceredigion, many people come to me with concerns about the costs of heating their home. They are unable to do so and they are unable to switch between different suppliers because of the monopolistic situation that exists.

Finally, I wish to highlight the work of the voluntary sector in bringing awareness of pension credits and other available benefits. Age Concern Ceredigion has reported a 10 per cent. increase in poverty-related inquiries among the 32,000 over-55s with whom it works. It has helped people access up to £1 million in benefits. It is an independent charity that is combating rural isolation and promoting income maximisation. It has a £100,000 shortfall in its funding for next year—because of the recession, grants are drawing up—so it will have to cut back on some of the invaluable work it does for those people. That work is replicated by citizens advice bureaux, the Royal British Legion and volunteer consultants such as Rif and Ann Winfield in my constituency. They have an important contribution to make in the short term, before we get the full citizens pension that the Liberals Democrats would certainly support.

My final point is this: the spectacle of a retired couple in south Ceredigion who have to reconcile whether it is more provident to put £10 of petrol in the car to do their shopping or to walk cannot be right, and that is why this debate is so important.

10.30 am

Steve Webb (Northavon) (LD): I congratulate my hon. Friend the Member for East Dunbartonshire (Jo Swinson) on securing the debate on this important matter. As we have heard, she has a track record of raising such matters, including Equitable Life, and I thought that her contribution was characteristically well researched and comprehensive. She has done the House a service by giving us the chance to debate these vital issues. Various facets of pensioner poverty have been discussed, particularly the position of women, to which I will return.

I also want to thank the Minister. Rather than sitting for an hour twiddling her thumbs before reading out a prepared text, she has intervened on several occasions to make her points, which was entirely welcome. Therefore, I will save her the trouble of reading out her prepared text. In such debates Ministers tell Members all the things the Government have done to improve take-up, for example, or to address all the matters that have been talked about, but the point my hon. Friend the Member for East Dunbartonshire and others have made is that, after all the things the Government have done, such as the take-up campaigns, we still have vast pensioner poverty, rising fuel poverty and very poor take-up. The question is not what the Government have done, but what will they do to address the aspects of poverty that are still very much with us, because pensioner poverty, as the hon. Member for Islington, North (Jeremy Corbyn) said, is a blight on our society. It should be the role of the state, not necessarily to deliver, but certainly to ensure that pensioner poverty is defeated. The fact that successive Governments have failed so lamentably on that is a shame on us all.

The hon. Member for Croydon, Central (Mr. Pelling) and my hon. Friend the Member for East Dunbartonshire referred to the position of women. One facet of the changing pensions landscape that is prejudicial to women has not had the attention it deserves. The hon. Member for Glasgow, East (John Mason) mentioned the demise of final salary pension schemes. Although they tended to reinforce the gap between men and women, because men tended to earn more, when we switched to money purchase schemes we found that they were biased against women because women tend to live longer. Under such schemes, a man and a woman could start the same job at adjacent desks, leave their work at the same age and earn precisely the same amount of money, but the man will get the bigger pension. He will not live as long, so the total pot of money would be the same, but it is not much consolation for someone living in poverty to be told, "Don't worry. You can have a long period of poverty, rather than a shorter period on a higher income." Can the Government just watch the shift to defined contribution schemes, which are biased against women, and the introduction of personal accounts, or National Employment Savings Trust pensions, which are part of a whole new system of defined contribution pensions that will also be biased against women, relative to state provision, for example, which is unisex?

The Government cannot stand idly by and watch those things happen. I fully accept that the April 2010 changes are welcome, as the Minister said, but they create a cliff edge that means that women who are born perhaps a day too early will miss out on the whole improvement. I fully accept that there has to be a day when things change, but when the change is so substantial, the onus is on the Government to avoid those cliff edges and phase things in so that those who reached pension age in 2008-09 could have some proportion of the benefit of the changes, which would be a better step.

John Mason: Will the hon. Gentleman give way?

Steve Webb: I hope that the hon. Gentleman will forgive me, but I cannot take an intervention with so little time left.

Members have discussed a default retirement age, and the best that the Government could say on that after 13 years is that a review is being undertaken. That is pathetic. Injustice is injustice. Being discriminated against because of one's age and the idea that one's fitness for a job depends on the date on one's birth certificate is nonsense. Are we really in the 21st century? Do we need a review? Should we not get on with it? I joined the hon. Member for Eastbourne (Mr. Waterson), with whom I seem repeatedly to be joined at the hip on these occasions, at a pensions dinner last night, and he announced to an expectant world that the Conservatives have decided to scrap default retirement ages. I am delighted that they followed us in a case that we have been making for years. There is great joy in heaven when a sinner repenteth, so I welcome him to the fold. That is a good step, and hopefully, as in so many areas, the Liberal Democrats lead the way, the Conservatives follow and finally the Government will implement the change. Incidentally, I could not help noticing that there were more ex-Conservative Members in the Chamber this morning than current Conservative Members.

The issue is not just one of retirement age—annuities have been mentioned. My hon. Friend the Member for East Dunbartonshire made the point about compulsory annuitisation, which is something we need to end, but it is a bigger issue than that, as I am sure she would agree. When people reach pension age, roughly one third choose to stay with their current provider, and do it without thinking about it, about one third look at the alternatives but stay with their current provider and about one third switch. The evidence is that many people could simply get a bigger pension by shopping around, and the open-market option should be taken up much more highly. It is not a particularly partisan point, but I think that Governments should do much more, whether through behavioural economics or other means, to nudge people away from the latent assumption that one stays with one's current provider.

Angela Eagle: The open-market option is a clear way to go. We are working with some of the insurance companies to ensure that they release the funds more quickly, because there are issues about how fast the funds can be released so that an open-market option can be purchased practically, but I agree with the hon. Gentleman's point. We are doing things to try to make that easier. Then, of course, we have to persuade people to use it.

Steve Webb: I do not doubt that there are small steps in the right direction, but, for example, we are now in a culture in which, when one gets a motor insurance premium, one can shop around and "compare the meerkat", or whatever it is. There is less of a culture of doing that with annuities, and one proposal is that, however many months out from the date on which someone expects to draw an annuity, they ought to be given, in a digestible format, the information that they need to shop around. If they have access to the internet—I take the point made about internet access by the hon. Member for Croydon, Central—or can go to a library, they will then have the five key pieces of information they need, and the process would be far easier than it is at present. That is an easy win for improving pensions, particularly for women, and something on which much more should be done.

My hon. Friend the Member for Ceredigion (Mark Williams) properly raised the issue of council tax benefit, as opposed to council tax rebate, and the Royal British Legion is rightly concerned about that. With the best will in the world, we can have the best take-up campaigns and can rename benefits as rebates, which would help, but ultimately a decent, secure, guaranteed pension must be the goal. I would be the first to accept that the level of pension that all of us would like to see cannot and never could be delivered overnight, but I believe that any political party must have a vision—a direction of travel. One of the problems in pensioner poverty is that we have seen flip-flops and switches in emphasis, so we need a clear goal and must make progress as rapidly is possible. That is why we think that the earnings link needs to be restored, not by the end of the next Parliament, as the Conservatives have said, or by 2012, but maybe 2015, as the Government have said, but immediately. Earnings or prices, whichever is higher, must be the way to go straight away, but that is a small first step on a long journey.

I will repeat the point I made to the hon. Member for Islington, North: at a time when we should be re-linking the pension to earnings, to have only part of the total basic pension price protected and to freeze SERPS, graduated pensions and the state second pension is an extraordinary thing to do when we all recognise—I speak at enough pension conferences to know—that every single problem in the pensions system would be made better by a decent state pension. Getting private pension incentives on top is easier with a decent state pension. Reducing reliance on non take-up and issues of means-testing is made better with a decent state pension. If we can do only one thing in the whole of pensions policy, it must be to have a decent state pension, which would make all the other problems much less severe.

Personal accounts pensions, or NEST pensions, ought to be a good way of tackling gaps in pension provision, but one of my worries about the future is that we will end up encouraging millions of people to take out relatively small pensions, much of which they will then find to have been means-tested away, and that might discredit private pension saving if we do not tackle means-testing and the adequacy of the basic state pension. I cannot do justice to the wide range of issues that my hon. Friend the Member for East Dunbartonshire and other Members have raised, but the basic state pension is a critical issue. Sorting out the basic state pension is first, second and third on the list of priorities, and it needs to be dealt with not in the distant future, but now.

10.39 am

Mr. Nigel Waterson (Eastbourne) (Con): As always, it is a great pleasure to follow the hon. Member for Northavon (Steve Webb). Indeed, it is becoming routine. I join him in congratulating the hon. Member for East Dunbartonshire (Jo Swinson) on securing this debate, which has been interesting if a bit breathless, given the number of issues that have been raised.

I was grateful for the hon. Lady's confirmation that her party has downgraded the citizen's pension, or universal pension, to an aspiration. It joins the list of other policies such as free tuition and free care which have also been downgraded recently. Those downgrades do not yet seem to have found their way into the Liberals' literature in my constituency, but I am sure that it is only a matter of time before they find their way into mine.

Pensioner poverty has been debated any number of times in recent years, sometimes in Opposition time as well. I believe that it is clear to all of us that the problem is getting worse: at least 2.5 million pensioners are officially living in poverty. On the basis of work in our own constituencies, as we have heard from several hon. Members, the problems faced by many of our older constituents are perfectly plain. I am a vice-president of my local Age Concern and see that very much at first hand.

We are asked to believe that the Government's slogan for the next election will be, "A future fair for all". What happened to the past 13 years? That was the future once, if I can misquote somebody. The fact is that all the statistics show that the problem is getting worse. The Government seem to be rightly focused on child poverty to the extent that they have introduced a Bill designed to abolish it, even though it is clear that they will fail to meet their 2020 target on child poverty. Why not a Bill on pensioner poverty? What is the distinction? Of course child poverty is important, but so is pensioner poverty.

The Government often say—I am sure that it is in the Minister's prepared speech—that pensioners are now less likely to fall into poverty than the rest of the population. Of course, that depends on how one looks at the statistics: including or not including housing costs makes a significant difference to the claim. We still face the grim truth that 2.5 million pensioners live in poverty, and 64 per cent. of pensioner households are dependent on state benefits for at least one half of their income.

One aspect among others that the hon. Member for Croydon, Central (Mr. Pelling) touched on was fuel poverty, which is particularly important at present because of the recent bad weather. The latest Government figures suggest that 3.5 million households are affected, but Energywatch says that actually 5.4 million households, or some 9 million people, live in fuel poverty. Sadly, Help the Aged has estimated that between 20,000 and 50,000 elderly people die each winter because of their freezing homes.

My party intends to continue the winter fuel allowance. We are committed to protecting that vital source of help for older people, but it is clear that this issue will not go away, whoever is in government. We intend to bring in energy efficiency improvements of £6,500 for every household and to require energy companies to provide information on energy bills that clearly shows the cheapest tariff available. We need complete transparency in the energy market if we are to give pensioners and others the opportunity to get the best possible deal to meet their energy requirements.

There has been quite a discussion about benefits and take-up. The hon. Member for Glasgow, East (John Mason) touched on this in his speech. We know that some £5.4 billion a year in benefits goes unclaimed by pensioners—a huge amount which, according to the Institute for Fiscal Studies, could take at least 500,000 pensioners out of poverty at a stroke. The hon. Gentleman was right to touch on the problem of complexity in all of this.

On the earnings link, the hon. Member for Islington, North (Jeremy Corbyn) took us on an interesting trip down memory lane, but I am sure that he is as frustrated as he was when the Conservatives were in government that, after 13 years, this Government have done absolutely nothing to restore it. I can confirm that my party is committed to restoring the earnings link within the next Parliament, exactly mirroring the Government's current position, which I hope the Minister will confirm.

Jeremy Corbyn: I am always pleased to hear about sinners who repent. If the Conservatives plan to restore the link, over what time frame will they do it, and when do they think there will be similarity between the pension and average earnings?

Mr. Waterson: Fortunately, those questions are above my pay grade and a matter for the shadow Chancellor, but we are committed to restoring the link within the Parliament.

Jeremy Corbyn: What does that mean?

Mr. Waterson: It means that when money is available within the next Parliament, we will do it.

I thought that the hon. Gentleman was uncharacteristically churlish about the role of private and occupational pensions in delivering a good standard of living for millions of our fellow citizens. Much of that is due to reforms and encouragement by successive Conservative Governments. It is a measure of this Government's failure on pensions and pensioner poverty that those pension arrangements have taken such a hit in the past 13 years. We know that the Government stripped more than £100 billion out of pension funds, and my party is committed to reversing the effects of that in time. It was important that the hon. Member for Northavon touched on the future development of personal accounts, or National Employment Savings Trust pensions—NEST, as we must get used to calling them. We also know, following the pre-Budget report, that the Government are already planning to strip out £2.4 billion from those pension savings through delays in implementation.

The default retirement age, which was touched on by several hon. Members, is important. There are already 1.4 million people working beyond normal retirement age, which shows that there is an appetite for doing so. My party supports scrapping the default retirement age in principle, but we are not oblivious to the practical difficulties that that presents—unlike, possibly, the Liberal Democrats. We will work closely with organisations such as the CBI to find solutions to the complications and problems.

The hon. Member for Ceredigion (Mark Williams) raised a concern of the Royal British Legion. Several hon. Members mentioned the complexity of the council tax benefit system and the resulting low take-up. We know that nearly one half of all pensioners are subject to means-tested benefits under this Government and that, of all the benefits, the one with the lowest take-up

[Mr. Waterson]

by far is council tax benefit. Hence, my right hon. Friend the Member for Witney (Mr. Cameron), the Leader of the Opposition, gave his support to the campaign of the Royal British Legion, which was pleased that during the passage of the Welfare Reform Act 2007 there seemed to be a firm commitment that the Government would take action quickly. However, Ministers now seem to have retreated from that position. They gave undertakings and ensured that a particular amendment was withdrawn on the back of such assurances, but they are now talking about consulting local authorities and other key stakeholders.

We know that only 55 per cent. or so of all pensioners who qualify for the benefit actually get round to making a claim. According to polling carried out by ComRes, two thirds of people believe that the benefit is not claimed because people are ashamed to claim it. Conservatives are committed to working with local authorities to have a two-year freeze on council tax levels, and I am sure that that will be welcomed by many pensioners, but it seems to us—I believe that there is cross-party support for this—that the simple change of name from "benefit" to "rebate" would take away a great deal of the shame felt by pensioners who simply do not claim. An Ipsos MORI survey conducted on behalf of the Royal British Legion found that 56 per cent. of respondents believed that eligible veterans would be more likely to make a claim if it were for a rebate rather than a benefit.

May I take the opportunity provided so kindly by the hon. Lady to press the Minister to tell us exactly when that simple administrative change will happen. A simple change it may be, but it could put a great deal of extra money into the pockets of needy pensioners across our country who face poverty. I look forward to hearing what the Minister has to say.

10.50 am

The Minister for Pensions and the Ageing Society (Angela Eagle): First, we all need to congratulate the hon. Member for East Dunbartonshire (Jo Swinson) on securing the debate. It has been useful and touched, as many of these debates do, on a range of issues that have a bearing on pensioner well-being and poverty. Some are not directly my Department's area, but that is only right because older people do not live lives according to departmental boundaries. Social care, carers, access to occupational pension schemes, the implications of what happens in the financial markets, and how the financial services sector deals with insurance policies and annuities all have a bearing on the experience of those over retirement age trying to reconcile their savings with their expenses. If I did not realise before I got the job, I know now that, with pension policy, many echoes of the past arrive on the desk of the Pensions Minister. They were germinated and generated in the history books but arrive in the present and give a Minister conundrums, problems and difficulties.

My hon. Friend the Member for Islington, North (Jeremy Corbyn) was right to give a historical review of some of what has happened because the history of pension policy has an acute effect today. Those of us who wish to see a simplified system, and perhaps long for it because some parts are so complex, can think about the history from which our pension policy descends. He was right to recall the contribution that my political heroine, Barbara Castle, made. He was also right to point out that the link between pensions and earnings was broken by the last Conservative Government, and the effect that that had on the overall value of the basic state pension. It is important to remember the history.

The hon. Member for Northavon (Steve Webb) also mentioned some of those issues, particularly women's exclusion from not only occupational pensions, often due to the structure and shape of the labour market, but the basic state pension. Other hon. Members, not least the doughty feminist the hon. Lady, mentioned in passing that there was a gender issue with pensions. I feel strongly about that as well, which is why I am proud that I will be the Minister when the April changes come into being. They will make a huge difference to women's access to the basic state pension in their own right. The reduction in the number of years of national insurance contributions required to qualify for a full basic state pension will reverse the historic exclusion of women from the basic state pension over time until the pension is almost completely equalised by 2020.

Mr. Pelling: The Minister makes a good point, but we should not forget those men who live longer and lack support because they are probably less adept at family and friend networking than females in society.

Angela Eagle: That is right; women tend to be able to deal with their social networks away from work more effectively, perhaps, than men, particularly older men. I have spent many good times in my job, which I am privileged to have, visiting older men's groups, as well as women's groups, where some of that social exclusion can be tackled. I know that such groups greatly add to the quality of men's lives.

There are 900,000 fewer pensioners living in poverty than there were when we came into Government. I am grateful to the hon. Member for Croydon, Central (Mr. Pelling) for having the generosity to point that out. Often these debates, rightly, focus on those areas in which we still need to make progress, but it is important that we also acknowledge the progress made by the policies that the Government have pursued since we came to power. That is not being complacent, but significant work by the Government has taken nearly a million pensioners out of poverty. In 1997, the poorest pensioners received income support and had to live on £69 a week. Ministers were not introducing extra support, such as pension credit, but were advising pensioners to knit hats and woolly jumpers to stay warm.

Pension credit makes a big difference to the lives of the 3.3 million people who receive it each week. There are some not claiming the pension credit that they are entitled to, which is why we are continuing our take-up campaigns. I invite all hon. Members who have participated in the debate to continue to do all that they can to assist us.

Jeremy Corbyn: What is the Minister's estimate of the amount of money not taken up by people who are entitled to pension credit?

Angela Eagle: Off the top of my head, it is several billion, which is why we are spending time on take-up

campaigns, focusing particularly on those areas that we think have the lowest take-up. We have developed what is clumsily known as the automaticity pilot, which pilots data matching. That will enable us to pay pension credit, at least for a period, to people who are entitled to it and then invite them to claim once they have realised how effective it is for them.

Evidence shows that peer endorsement, in other words pensioners who have successfully claimed pension credit and endorsed it to their peers, is the most successful way of getting the pension credit claim rate up. We make 13,000 visits a week to the homes of vulnerable pensioners to assist them to claim. There is now a claim process whereby pension credit, housing benefit and council tax benefit can all be claimed with one phone call, which makes the process as simple as possible. We are pressing forward with those different methods of making benefits available and making the process of claiming easy and user-friendly for pensioners.

The hon. Member for Eastbourne (Mr. Waterson) asked about renaming the council tax benefit a rebate. We are anxious to get on with the process as quickly as we can, but I hope that he acknowledges that there are 380 local authorities administering council tax and housing benefit—perhaps we would all rather have seen it nationalised, rather than administered at the current level. Many local authorities have different IT systems; we have been in touch with IT suppliers to see if we can ease the shift from a council tax benefit to a rebate, and are in discussions with software and IT suppliers, as well as local authority administrators, on the practical issues raised by that shift. We remain committed to doing it as quickly as possible. I hope that that reassures him.

On fuel poverty, the hon. Lady commented, mainly I think, on the Scottish system. The English system is slightly different; if people own or rent their home, are 60 or over and claim pension credit, they can be eligible for up to £3,000 help with upgrading their heating, or £6,000 if they use heating oil. I advise her to take up the issue of irretrievable breakdown with the Scottish Executive and the authorities there, rather than bringing the issues here.

British Pubs

11 am

Mr. Nigel Evans (Ribble Valley) (Con): It is a pleasure to introduce this debate, Mr. Gale. I declare my interest as vice-chairman of the all-party group on beer, and as a member of the Campaign for Real Ale. I am delighted to see the Minister here, but a little surprised that the Government are not represented by the newly appointed pub supremo. It is an excellent idea to have a pub guru in the Government, although the decision was greeted with some interesting news articles. I am sure that the Minister will pass my message on to the pub supremo, and I am almost certain that he will lose no time in reading what I and other hon. Members have to say.

On 18 February, Paul Charity, editor of the *Morning Advertiser* wrote an article entitled, "Healey starts with a pub crawl", in which he said:

> "Healey's appointment was met with the presentational gravitas it deserves by being unveiled in the form of a News of the World exclusive. His trip around Wentworth's pubs last week did little to dispel the scepticism of those who think the appointment of a pubs minister is a cynical attempt by the Government to win cheap publicity.
>
> This opportunistic grab at positive media coverage has become a defining characteristic of this Government."

He then wrote that it was "a shame" that the pubs Minister was not given the job some time ago—and so say I, as does *The Publican*, whose headline, "Right idea, shame about the timing", says it all. Both magazines are no doubt essential reading for the right hon. Member for Wentworth (John Healey), and he will not be short of ideas for what to do.

Miles Templeman, chairman of Shepherd Name, started the ball rolling on the front page of *The Publican*, when he said:

> "Many of the problems that pubs face are a direct result of the intrusive Government regulation and big increases in duties on drinks."

Marc Allison, the freeholder of The Artful Dodger in York, summed up the matter best:

> "I am sure this is about winning votes but it could potentially be a good thing if he does his job properly."

The right hon. Gentleman is quoted on the front page as saying:

> "While we can't stop every pub from closing it's right that we do everything possible to back them. But they need help now so I am determined to have a deal on the table with a package of practical help in the next few weeks."

I presume that that is where he is today.

The proof of the pie will be in the eating, but past performance from the right hon. Gentleman is not promising. Instead of supporting the massive tax hikes on beer, he should have provided support for an industry suffering from an onslaught of body blows. Never has "punch drunk" been a more appropriate description of an industry attacked from so many sides. It is little surprise that pub closures have been at an all-time high over the past three years, oscillating between 39 and 50 a week.

I will not reiterate the importance of pubs to local communities. I have been vice-chairman of the all-party group for more years than I care to mention, and the hon. Member for Burton (Mrs. Dean) and I produced a report on the importance of community pubs. It took

[Mr. Nigel Evans]

us more than two years to do so, and we took evidence from a number of sources. The right hon. Member for Stalybridge and Hyde (James Purnell) who, regrettably, is leaving the House, stated in the introduction:

"The Government recognises the cultural importance of public houses in the UK, as centres of entertainment, as hubs for local communities, as a diverse and vibrant part of the hospitality industry and as a unique British institution that helps make our country so attractive to overseas visitors".

Mr. Greg Knight (East Yorkshire) (Con): My hon. Friend is making a powerful case. Does he agree that his arguments in favour of the British pub apply equally to non-profit-making clubs in the UK, such as Labour clubs, Conservative clubs, working men's clubs and British Legion clubs?

Mr. Evans: Absolutely. I agree with my right hon. Friend that such clubs are very much at the heart of communities. The things that make pubs attractive places for people to visit are the same as the things that make people go regularly to clubs in this country.

The community pub inquiry by the all-party group made 17 recommendations, including ending the duty escalator on beer; differential taxation on pump-pulled beer; and an examination of the huge contrast between supermarket prices for beer and prices in the pub. Pub prices used to be twice those of supermarkets, but they are now much greater—sometimes seven times as much—with aggressive pricing by the supermarkets.

I have spoken to many landlords and landladies over the years, and a few more when preparing for this debate. I am particularly grateful for the sage advice of Steve and Chris Dilworth of The Swan with Two Necks in Pendleton, which is a successful free house in the village where I live that offers very good food and excellent real ales from the region. Steve is a CAMRA member, and knows his beer and how look after it.

As a case study, I went to a very different pub in the town of Longridge, which serves pies for locals—that service is aimed at football fans—but relies very much on wet sales. Irene Nuttall is the landlady, but prefers to be called the landlord, and she is chairman of the local pub watch. I sat in the pub with her last Saturday, and listened to her encapsulate the problems. She is tied to Heineken UK, which used to be Scottish and Newcastle, for her beers, and the premises are owned by Trust Inns. I shall show the price differential between what she pays to Heineken and what she might pay if she went to a wholesaler on the free market. An 11-gallon barrel of Fosters costs £127 from Heineken, but from a wholesaler it would cost £92. Cask ales—nine or 10 gallons—cost £96 from Heineken, or £55 from a wholesaler. An 11-gallon barrel of John Smith's costs £114 from Heineken, or £88 from a wholesaler. Cases of Pils bottles cost £31 from Heineken, or £12.99 from a wholesaler. There is even a big differential between the prices of soft drinks. The tie today has the pub industry over a barrel, and penalises the tied landlord.

The Select Committee on Business, Innovation and Skills and its predecessors have examined the matter several times. The Chairman of the Committee, my hon. Friend the Member for Mid-Worcestershire (Peter Luff), would have been here today had he not been chairing a meeting on a further report on the tie. We look forward to that publication, but a previous report states:

"There are strong indications that the existence of the tie pushes up prices not just to lessees but to consumers...our provisional view is that the tie should be severely limited to ensure there is proper competition in the market."

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): Will the hon. Gentleman comment on what has happened to CAMRA's complaint to the Office of Fair Trading? I am sure that he will be happy with the OFT's decision to look again at what CAMRA has said.

Mr. Evans: I am delighted, but we need action. The matter needs to be considered urgently, and I look forward to the report from the Business, Innovation and Skills Committee, which I hope will be finalised today. I am sure that the industry is waiting with bated breath to see what it says. One recommendation was that it should be referred.

Anne Main (St. Albans) (Con): It is no secret that CAMRA has its headquarters in St. Albans. I met, as I am sure did many other hon. Members, the lobby against the tie. Publicans are expected to squeeze out more beer from a barrel than they are supposed to. CAMRA's Fair Pint campaign says that publicans are expected to make up money by selling in that way, but publicans are very unhappy about it.

Mr. Evans: The regulars with whom I drink would certainly not stand for any short measures. If the head on a pint is too big, they let it settle before it is refilled. They do not even have to ask for it to be refilled, because landlords and landladies are very good at ensuring that people do not receive short measures. I congratulate CAMRA on that campaign.

Mr. Andrew Pelling (Croydon, Central) (Ind): I congratulate the hon. Gentleman on securing this important debate. Will he comment on something that the managing director of Marston's said yesterday—that the tie protects people in the business?

Mr. Evans: The best antidote to such comments, which is a generalisation, is that in some cases, the pubco or brewer may take a particular interest in their estate, and in such cases the tie may be a good thing, but clearly it is not brilliant in the instance that I just described. During our community pub inquiry, far too many landlords and landladies said that there is a serious problem and that they are being crippled, because they have been forced to pay so much for the beer from their pubco or brewer. A free house down the road is able to compete more fairly and has more chance of surviving in an economic downturn, when fewer people are going to pubs and drinking beer.

Greg Mulholland (Leeds, North-West) (LD): I congratulate the hon. Gentleman on securing the debate and on his excellent speech. Does he think that there is a stark contrast between Wetherspoon, a large managed pub chain that gets huge discounts from brewers which it passes on to customers, and those big pub companies that get the same discounts but take them as profit for their shareholders and do not pass them on to the pub?

Mr. Evans: That is an issue of muscle in the purchasing of beer, and it also involves supermarkets that are able to sell beer cheaply and buy it more cheaply from brewers than those pubs that are tied to a particular estate. That issue needs to be looked at in its generality, and I hope that the OFT will look hard at the survival and prosperity of the network of pubs throughout the country.

Let me return to Irene Nuttall of The Durham Ox in Longridge. She lists a few points, and perhaps I can quickly rattle through some of the problems faced by landlords and landladies, which I am sure a lot of hon. Members will recognise. First, aggressive supermarket pricing is crippling for a lot of pubs. Secondly, the tie can be oppressive and should be opened up. Thirdly, dry rent is paid, but a lot of publicans also pay residential rent, as they are required to live on the premises, which can be incredibly expensive and insurance on top of that takes a huge chunk of money. Fourthly, the duty on pub-sold beer is too high. Irene Nuttall mentions the sleight of hand in the VAT reduction last year from 17.5 to 15 per cent. However, the Government waved a magic wand, and the duty was increased on beer, so that its price was not reduced when the rate of VAT came down. However, when VAT went back up to 17.5 per cent., so did the price of beer.

Mr. Tobias Ellwood (Bournemouth, East) (Con): My hon. Friend makes a powerful argument. Does he agree that the change in VAT was unhelpful, given the length of time for which it lasted, and the time at which it returned to 17.5 per cent? The rate went back up at midnight on 31 December—a busy time of the year for publicans across the country.

Mr. Evans: Some publicans did not even bother putting the price up. They took the hit, for the reason mentioned by my hon. Friend. Furthermore, around this time of the year, wholesalers often look at their pricing and start to put up prices for their customers. That means that a publican might have had to reproduce lists twice at a busy time of year. A lot of pubs have not yet put up prices and are waiting to see what their suppliers are going to do. Clearly, it was an awkward situation for them.

Fifthly, business rates are too high. Irene Nuttall is paying £4,617, and although there is a small amount of business rate relief, for her it amounts to only £182, which would hardly contribute to the survival of some small pubs. Sixthly, council tax must be paid on top of that sum for the residential part of the property. Point number seven is that she has a TV in her own flat and a TV downstairs, so she needs two licences for the BBC, even though both sets are in the same building. Eighthly, the water rates cost several hundreds of pounds.

The ninth point concerns Sky TV. The Minister knows that there have been problems with Sky TV—the Government have promised to look at that, but we have seen nothing yet. Irene Nuttall's pub is relatively small, and she said, "Guess how much I pay for Sky TV?" My mind went wandering, and I said, "£120? £150? £240?" No—it costs £594 a month to have Sky Sports in a relatively small pub. That is based on rateable value. As we know, in a lot of villages and towns, a pub's rateable value could be extremely high, but the number of people in the pub at any one time might be relatively small. All the profit that a pub makes by getting people in who are attracted by the magnet of Sky Sports is completely lost as a result of the £594 charge. Something desperately needs to be done about the pricing of Sky TV. It is an attractive venture for pubs wishing to get people through the door, but surely they should not be clobbered to such an extent.

The 10th point is the building insurance of £1,500, which must be paid, even though Irene Nuttall does not own the building. Electricity is the 11th point and costs £400 a month. The gas bill is £850 a quarter, and bank charges of £90 a month are charged for paying money in, taking money out and direct debits. It all adds up, and there are staff to pay on top of that. She finished by saying, "I wonder why I'm doing it." Considering all the pressures on one pub, I think exactly the same thing. She clearly loves the business in which she operates, otherwise she simply would not do it.

Banks have proven to be unco-operative. One landlord I spoke to wished to borrow more money due to investments that he had made in his restaurant and pub trade. The bank said no, then charged a huge amount for the loan that the landlord already has, including an interest rate insurance fee—which I had never heard of before—to insure against fluctuations in the interest rate. It costs him a fortune to insure against those fluctuations. The bank then needed to value the property, and it charged him for that. It wanted his accounts to be audited by its officials, and it charged him for that service. Woe betide him if any cheques are returned, as there are swingeing penalties to be paid. One might think that the bank was working hard to give this landlord the little nudge that he needs to go bust. A number of pubs also have accountancy fees to pay, as well as a music licence if they have music.

Mr. Greg Knight: There is another issue that my hon. Friend has not yet mentioned but which has been devastating for many pubs and clubs—the smoking ban. It is not the ban per se that is the problem, but the heavy-handed way in which it has been introduced in the United Kingdom. Does my hon. Friend agree that it is ludicrous that the only way in which a licensee can provide an indoor smoking room for his or her customers is if they happen to operate on a boat?

Mr. Evans: One imaginative pub thought that if it changed itself into an embassy, it might get away with it. Sadly, that did not work. The way in which the smoking ban was introduced was far stricter than in almost any other country. There are 12 million smokers out there, and a lot of them used to go to pubs, but now that is clearly not the case. I know that my right hon. Friend and hon. Members from other parties are trying to get changes in the law, not to lift the smoking ban but to amend it sensibly so that smokers will at least be treated like human beings when they go to pubs and clubs, and be looked after as opposed to being treated like lepers. A friend of my right hon. Friend, Antony Worrall Thompson, stated:

> "The smoking ban has had an extraordinary detrimental effect on pubs and clubs. The legislation as it stands is excessive and I would like to see it amended."

As I have noted, MPs from all parties have co-operated with my right hon. Friend in his campaign. We are all familiar with seeing people standing outside pubs having

[Mr. Evans]

a cigarette in sub-zero temperatures, in the rain and the snow with all the elements against them. Hypothermia has become a smoking-related disease under this Government.

Mark Hastings, director of the British Beer and Pub Association, commented succinctly on the value of pubs to local communities. On average, pubs inject about £80,000 a year into the local community and pay £107,000 in taxes. Over half a million people a year are directly employed by pubs, with 380,000 people employed in associated trades. Mark Hastings states that beer taxes have risen 20 per cent. since March 2008, with another 2 per cent. above inflation expected in the Budget next month. I hope that when the Minister speaks on behalf of the Government, he will at least give us some good news about the Budget next month and say that that escalator will be taken off and that there will be no duty increase on beer. Research by Oxford Economics suggests that halting the proposed Budget increase of 2 per cent. above inflation could save 7,500 jobs and the Government tax take would increase.

Mr. David Hamilton (Midlothian) (Lab): The Government have the opportunity to separate draft beer tariffs from those of normal beer where canned beer is involved. It would need a change in the European legislation, but surely all parties can agree across the board that if we change the draft beer position, that would give an edge to all the pubs and clubs that are involved.

Mr. Evans: I could not agree more; I am 100 per cent. with the hon. Gentleman. What he describes needs to be done. I have asked Ministers about it and every time, they say, "Brussels won't allow it. There's a problem with Brussels." Let us sort out Brussels. The pub is an iconic British institution. If we want to support pubs and ensure that supermarket pricing does not give supermarkets such a great advantage, the one thing that we need to do is recognise that the product served in a pub is different from the product that people receive when they get 24 cans from a supermarket. Therefore different taxation on draught beer—pump-pulled beer—needs to be put in place. We need to tell Brussels that that is what we shall do. I do not see how any other part of the European Union would be disadvantaged by our recognising that pump-pulled beer is somewhat different and involves something more than just lifting up 24 cans. I am 100 per cent. behind the hon. Gentleman and I hope that we can take that matter to Brussels and say that it is something that we want to do in this country to support British pubs and that we will do it.

Since March 2008, 4,100 pubs have gone bust. Beer sales are down 16 million pints a day compared with 1979. Turnover on beer in the past 12 months alone is down £650 million. Since 1997, beer duty has gone up 14 per cent. in real terms, yet spirits duty is down by 20 per cent. How about equality of treatment for a product that is so synonymous with Britain? Like almost 200 Members of Parliament, I have backed the "I'm backing the pub" campaign led by the British Beer and Pub Association, and more than 100 MPs have signed the early-day motion on the campaign tabled by the hon. Member for Selby (Mr. Grogan), the chairman of the all-party beer group. I am delighted to see him in his usual place.

Like many other MPs, I shall be in a pub on 19 March, as part of British tourism week, to show my support for pubs. Every year, 13.2 million tourists visit pubs in the United Kingdom. We cannot let the pub die. It is the hub, the social centre, the heart of villages and towns. It is where business deals are done, family occasions are celebrated, and darts teams, pool teams and football teams play, celebrate their wins and drown their sorrows. It is where every problem is discussed and where, as the Minister will know, a Government in waiting drink regularly. It is where the general election will be discussed daily and every evening. It is where we as candidates will banter with the regulars, and on election night it is where we shall have a final tipple, perhaps, to steady our nerves. It is where I have celebrated every election victory since moving into my village, with locals, friends and those who have helped out in the campaign.

The British pub is iconic. It represents the very heart of Britain. We have seen so much of the fabric of our way of life threatened in so many ways over the decades, from post offices to churches and from village schools to small shops and rural bus services. Now is the time to make a stand, so the message for the Minister for pubs is that we are holding him to his word about giving a helping hand now to the great British pub. Now is the time to deliver. I hope that at the end of the debate, this Minister will do just that—stand and deliver for the great British pub.

11.23 am

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to take part in the debate, albeit briefly, with so many knowledgeable hon. Members present. I congratulate the hon. Member for Ribble Valley (Mr. Evans) on obtaining the debate. I also congratulate my hon. Friend the Member for Selby (Mr. Grogan), who chairs the all-party group on beer with great skill and is held in great esteem, and the hon. Member for Leeds, North-West (Greg Mulholland), who has led the save the pub group, of which I am proud to be part.

I have come to the debate with some trepidation, because I am a long-time teetotaller. One reason why I do not visit pubs as much as I would like is that someone who drinks soft drinks feels particularly exploited currently, because the price differential is so unfair for those who choose not to drink. One argument advanced by the British Beer and Pub Association is that low-alcohol drinks are disproportionately priced, meaning that people feel adversely affected in that way.

I shall make just two points. The first comes out of bitter experience of the way in which friends of mine who have been publicans have been very badly treated by pubcos. That is nothing new. When I was a councillor, I was aware of numerous occasions on which people were encouraged into the trade by—I will name the company—Whitbread. Those people clearly did not have the capability to run a pub properly but were encouraged to invest all their savings, including their house, in a pub, and gradually over time the price of the barrelage was raised until they were driven out and had nowhere else to go but the local council. That was the context to this issue when the breweries were running

things. Nowadays, because of the changes made through the beer orders and so on, there are pubcos. I would say that the attitude of pubcos is even more mercenary.

I have one case involving a close friend who was affected by the 2007 floods in Gloucestershire. For the best part of eight months, her pub was inaccessible because the road that took people to it had collapsed. One would have thought that that would be a good reason for the pubco to be fair, reasonable and enterprising—I use that word deliberately. Sadly, it did not seem to think that it was a particular problem for her and was arguing all the way through, despite all the pressure that I and friends were able to bring to bear to try to get it to adjust what it was charging her. It was only through pain and the greatest of anguish that we got the pubco to listen and at least to adjust downwards what it expected her to pay, given that her trade was inevitably going to fail.

I wish that that was a one-off tale. Sadly, from all my experience of talking to publicans, I have to say that it is the norm that people are being driven out. I accept that the Government have a role to play in terms of how they price beer, spirits and all the other things for which they are responsible, but I shall hold fire on them for the moment and concentrate my energies on highlighting the complete unfairness in the way in which pubcos now operate with regard to the people they should hold dearest, who are of course the people who run the pubs that are making money for them. I agree with much that the hon. Member for Ribble Valley said about things such as Sky TV and the way in which all those costs accumulate and make it much more difficult for people to run a pub.

My second point is about what happens when a pub gets into difficulties. I feel strongly that we use expressions such as "The pub is the hub" and "The pub is the centre of the community" glibly, but we are not prepared to do much about that. When a pub is closing in a village, the community does come together and often has the wherewithal to be able to do something about that, but too often, although there is a predisposition against granting planning permission for something else, we go through the game of the pubco trying to do everything within its power to prove that it is an uneconomic business and it cannot remain as a pub. Despite there being a community effort, with people willing to put their hand in their pocket to obtain the property and the means to be able to run it as a pub on a community basis, we are unable to hold the line in terms of planning.

Mr. Sutcliffe: Perhaps this is an appropriate time to mention the task of my right hon. Friend the Minister for Housing in his role as the Minister with responsibility for community pubs. It is exactly that issue of the planning requirements that need to change and of support for community pubs that he will consider, and the hope is that he will come back with proposals in the coming weeks.

Mr. Drew: I welcome that and I welcome the appointment of my right hon. Friend the Minister for Housing in that role. It is good that he will be working with my hon. Friend the Minister who is here. However, we have heard the words; we now have to see the actions. I can cite cases. I will not go into detail, because many of them involve issues that in a sense have passed on by, but there are some cases in which the community is still totally committed to trying to do something to keep the pub in the community. I want it made absolutely clear that changing the planning permission to allow something other than a pub should be the last resort. When the pub is the last such institution in the community, throwing in the towel should be absolutely the last thing that we do. We have not used the planning rules to encourage local authorities to make it clear that we are not prepared to see that happen.

Let us be honest: too many pubcos have invested badly. They saw their property portfolio as their wealth creator. Following the collapse in property prices, they have caught more than a cold, which is sad, but that is their problem. If it was a question of their losing everything, one could feel sympathetic, but there are acceptable bodies of people who are willing to take institutions on, so why can we not see that as a way forward? We are all co-operators now, and as a co-operator myself, I see co-operative outcomes in communities as genuinely the way forward. Of course, people have to be able to provide a proper business plan, and institutions have to make money, but as we have seen with post offices and village shops, there are voluntary solutions that can work over the long run.

We must make sure that the planners get the message that they must not yield far too easily. I hear what the Minister says and I welcome the recognition of what the Minister for Housing can and should be doing. As I said, however, we have heard the words before; let us now see the action.

11.31 am

Anne Main (St. Albans) (Con): It is nice to be under your chairmanship, Mr. Gale. I congratulate my hon. Friend the Member for Ribble Valley (Mr. Evans) on his perceptive and well-informed speech. I am sure that he speaks for many of the publicans from St. Albans who came to me because they were frustrated with the tied pub, the 24-hour licensing, the smoking ban and all the other things that have been piled on them.

Some people dispute this, but St. Albans apparently has the most pubs per square mile of any place in England, and pubs are part of the historic street scene. Anybody who has been to St. Albans will have seen the historic pubs, and there can even be two or three in one short road. Those pubs traditionally supported people on the many pilgrimages to St. Albans, so they go back a long way.

The smaller pubs are finding life hard. The bigger pubs, which can bring in the clubbers and people interested in the dance scene, are not struggling so much and they have benefited from extended licensing. However, the smaller pubs, where people go for a quiet drink and to chew the fat or to debate the issues that my hon. Friend raised, have been struggling.

CAMRA, which is based in my constituency, has a beer festival every year, and I go along to help open it, but I also have my ear pressed very much to the ground so that I can hear about all the issues facing pubs. I am not a beer drinker, which is a shame, but a shandy drinker, which is a heinous crime according to CAMRA. None the less, CAMRA raises some valuable points.

I have been out all night with the police in St. Albans, and one sees young girls and young men going out to the pub. They will be raucous, lively and enjoying

[Anne Main]

themselves. They will already have consumed a significant amount of budget-price alcohol, possibly while they were getting ready to go out. There has been a shift in the way we behave: some people have two, three or four glasses of wine, several pints of beer or half a bottle of vodka before they go out, so they are well oiled before they ever hit the pub.

When I am out with the police late at night, I see that the pubs are picking up the damage from this change in behaviour. They get blamed for people urinating in gardens. I am not saying that people who do not use the toilet before leaving the pub are blameless, but there are no toilet facilities easily available to people going down Fishpool street, Pageant road or some of the other historic streets in the city centre. If people see someone who has come out of The White Hart Tap or The Goat urinating in the street, they may assume that those pubs served them far too much alcohol, and the pubs may be penalised and robustly criticised. I am not saying that there is an issue with those particular pubs, but just giving an example.

Part of the problem is the alcohol that is consumed before people go to pubs. The Waterend Barn in St. Albans is synonymous with some unfortunate incidents, and I have seen people sitting outside it vomiting into the bushes late at night. I have also seen the ambulance crews picking them up. However, the prices that many of our pubs have to charge mean that those people would have to be pretty wealthy to get that drunk in such a pub.

Mr. Evans: Does my hon. Friend agree that organisations such as Pubwatch do a tremendous job in ensuring that somebody who is ejected from one pub will not be served in any others? My hon. Friend makes the important point that one of the great things about a pub is that it is supervised, while people drinking at home or on the streets are not. The landlord and landlady can ensure that people drink responsibly in a good atmosphere.

Anne Main: My hon. Friend is absolutely right. By and large, our pubs in St. Albans co-operate enormously with the local council and residents. The historic street scene means that they sit cheek by jowl with residents, and most pubs try their best to co-operate and to be good parts of the community. Many employ bouncers and doormen—again, at additional cost—to stop the wayward drunks and to ensure that someone who has been thrown out does not come back in if the pub believes that they are drinking irresponsibly.

It is a real shame that the smoking ban, which many people welcomed, has not only hit some smaller pubs disproportionately, but brought them into conflict with some of their neighbours. Pubs have to create smoking shelters, or people have to stand in the pub garden. As a result, doors are opened, and music drifts over to houses that were not previously bothered by noise. There is chatter, laughter and other noise outside in the garden in the winter, which one would never have expected. That causes conflicts with local residents. The legislation, which was introduced for the best possible reasons, has therefore had some unfortunate consequences.

I pay tribute to pubs for the fact that they are not only the heart of the community, but put things back. I have regularly done the prize draw with Cilla in the Three Hammers pub, and all the funds raised go to our local hospice. Pubs are not just drinking dens. Every time a VAT rise goes on to the price of a pint of beer, the assumption is that it will be on the pint in the pub.

Mr. David Hamilton: I just want to make an observation. We have The Woolpack in "Emmerdale", The Rovers Return in "Coronation Street", The Queen Vic in "Eastenders" and The Tall Ship in "River City", which is a serial in Scotland. Pubs are central to virtually every serial on television, which clearly shows how the British population works. We do not want to be partisan, but to work across parties to ensure that pubs stay alive throughout the UK.

Anne Main: The hon. Gentleman is absolutely right. I do not watch those particular soap operas, but I am fully aware of them. *[Interruption.]* I do not have the time.

It is important that we look at the unfair blame that is often shifted on to small local pubs. In St. Albans, it is difficult to finger the pub that made the last irresponsible sale to a young person. If there is only one pub in a village, it is easy to see where people who are causing trouble are coming from, but it is hard to do that in areas such as St. Albans, and we are not alone in that—many historic cities have the same problem.

I have touched on the problems of smoking gardens. Unfortunately, another part of the problem associated with pubs is the vomiting and urinating in front of people's houses and in their gardens. The Department for Communities and Local Government is looking into whether local authorities should provide more toilets, and some pubs and big businesses have made the useful suggestion that we should have a community toilet scheme. Pubs are willing to offer their premises for charitable events and social events and, indeed, to embrace a community toilet scheme. The National Association for Colitis and Crohn's Disease, which was launched in St. Albans—the city is its home—recognises that many people cannot wait to use toilets, and that is not the result of drunkenness. The association therefore welcomes the fact that pubs are prepared to embrace a community toilet scheme. Yet again, pubs are showing their willingness to be a part of the community and to contribute.

We should bear that in mind, as well as the fact that pubs can and do offer so much more. I say that because some very large pubs and clubs have caused out-of-hours antisocial behaviour, and the result, unfortunately, has been the demonisation of all pubs, with everyone being tarred with the same brush.

On behalf of the smaller, well run pubs in St. Albans, I welcome the possibility of a rethinking of the tied pub, because damage is being done to young people who are prepared to take on what are in effect historic buildings, in conservation areas. The Boot, in St. Albans, which is a conservation pub, had a problem with a flood. It was closed for ages because it had to do everything through the planning department, in line with the requirements of the conservation officer. That must have been very hard financially.

I ask that when historic places such as St. Albans are considered, it will be borne in mind that the pressures involved are not necessarily those that affect a local supermarket. Tesco, which is also based in Hertfordshire,

can afford to weather a big storm, but many local pubs cannot, and they are being pushed over the edge by things as small as flooding in an historic conservation area pub, or snow, because if the council does not grit the streets people will not go to the pub, but make their way to Tesco, which has the might to ensure that its car park is user-friendly.

Sir Nicholas Winterton (Macclesfield) (Con): My hon. Friend is speaking from the heart, and we agree with her. I am a lifelong supporter of CAMRA and the Brewers Association. Will my hon. Friend make the point that a pub in the community is a place that encourages responsible drinking, because of the role of the landlord, who is concerned about his or her reputation and the pub's reputation? Surely the Government would want to encourage that, and rather than imposing regulation, costs and tax on beer they should encourage pubs, where people can learn to drink responsibly the traditional beer we all love.

Anne Main: My hon. Friend makes a valid point. The publicans in my constituency whom I talk to are fully aware about the issue not only of serving too much alcohol to someone who is inebriated, but of serving it to someone who may take it over to that person. They are only too aware that they must be cautious and abide by the rules. I would not encourage people to learn to drink in a pub, but the people we need to be most concerned about are not those sitting sipping a drink and chatting, perhaps playing backgammon or engaged in another pub event. Too often we are using a stick to beat the wrong person. The pub is potentially picking up the reputation of causing antisocial behaviour in the community, but perhaps we should be looking to the supermarkets or small corner shops that sell people alcohol irresponsibly.

11.42 am

Mr. John Grogan (Selby) (Lab): The fact that my brief speech follows those of two self-proclaimed non-beer drinkers, who spoke with such passion and insight about the future of the pub, underlines perhaps more than anything the hold that the British pub has on British people. Eighty per cent. of people visit a pub at some time in the year, and very few other institutions, even the Church or the Post Office, have such a reach. Perhaps only our most popular television channels have it in the course of a year. The hon. Member for Ribble Valley (Mr. Evans) has done the nation a great service in obtaining the debate. Our common aim must be to make the pub a general election issue.

The hon. Gentleman chided my right hon. Friend the Minister for Housing as one of the few Members of the House who has survived to tell the tale following a *News of the World* exclusive. Obviously, as we come into a general election period, parties will seek political advantage. That is only natural. However, I hope that my right hon. Friend's appointment, together with the Liberal Democrat and Conservative proposals, will mean that there is something to debate. We have heard about leaders' debates, and I am sure that we shall watch them with interest, but I hope that an organisation such as CAMRA might have a debate on the future of pubs, with the various Ministers and shadow Ministers giving their views.

Time is limited and I want to rattle through one or two suggestions for my right hon. Friend the Minister for Housing, but before that I want to mention managed pubs, which the hon. Member for Leeds, North-West (Greg Mulholland) mentioned. The issue of tied pubs has been well rehearsed and we await with interest the report of the Select Committee on Business, Innovation and Skills, the Government's response and now, again, the Office of Fair Trading report. However, let us not forget the role played by managed pubs in this country.

One company whose model is under threat is Mitchells and Butlers, which has been taken over in all but name. I am not sure that the takeover panel has done a particularly good job on the issue. The new chairman has said that in 60 days he will produce new proposals for Mitchells and Butlers. An average Mitchells and Butlers pub—they have names such as All Bar One—employs 20 people, and the business employs 40,000 people. It has gone for a model of comparatively low beer prices but high quality, and highly staffed bars and pubs. There is a danger that, perhaps during the general election period, when the House is not sitting, Mitchells and Butlers will come up with proposals for big cost cutting, and the closure of pubs and bars. I urge the so-called independent directors who have been appointed to the board to speak out now, if they are truly independent. Otherwise they will be seen as the patsies for the offshore interests that have taken over Mitchells and Butlers. I just mention that in passing.

I shall rattle through the main issues, and as I do not want to repeat what has been said I shall try to pick one or two other ideas. CAMRA has suggested that rate relief, which has been a big boon to village pubs in recent years, should be extended more widely, to community pubs in suburban areas and small market towns. That needs to be considered. A proper definition of a community pub is obviously needed, but I think that local authorities would be well placed to judge whether a pub is a community pub. That would be a good way forward.

Various hon. Members have discussed putting a lower rate of duty on draught beer. I want to underline the fact that that is a current issue. The European Commission is reviewing the rules on duty now, and I hope that all three Front Benches will unite in what they say about this and that the British Government will argue—although we need allies, and potentially have them in such countries as Germany and the Czech Republic—that the European Commission should allow different nation states to impose a lower rate of duty on draught beer. That could do as much for pubs in the next Parliament as the lower rate of duty on small brewers has done for the expansion of micro-brewers in this Parliament.

Mr. Evans: I am grateful for the hon. Gentleman's powerful speech. I read his last column in the *Morning Advertiser*. I hope that he carries on with it after the general election. The important point is the differential on tax. Not only should the Government not fear that if we made the change the general take would go down—because if we can get more people into pubs the taxation take would increase; in addition, if a pub survives, the £80,000 that it pushes into the community, the more than £100,000 that it pays in taxes, and all the charitable things that it does, can continue.

Mr. Grogan: The hon. Gentleman makes a very good point, which perhaps should bring me on to saying a word about tax. If we are honest, it is unlikely that any

[Mr. Grogan]

Government in the near future will reduce the overall take from alcohol tax, given the pressure on public finances. However, there is a strong and fair case to be made that beer and pubs have lost out in recent years. A rebalancing is needed with spirit tax and duty on cider.

There is a technical issue that the Government could deal with in the Budget. Machines that have been defined as skills-with-prizes machines—the low-stake machines that are in many pubs—are being redefined as games of chance. Her Majesty's Revenue and Customs is trying to claim three back years of amusement machine licence duty. That will be a big blow. It has already been postponed once, and I hope that the Chancellor will at least examine that detail.

Mr. Sutcliffe: I am delighted that my hon. Friend has given way on this issue of skills with prizes. It has come to me as the Minister with responsibility for gambling, and I have taken it up with the Treasury and my right hon. Friend the Minister for Housing. We hope to be able to make announcements shortly, and are well aware of the issue.

Mr. Grogan: Those words give me great encouragement from the only other Bradford City supporter in the House—as far as I am aware.

The phrase "pub is the hub" has been used in the debate, but it is also the name of an organisation. Under the guidance of John Longden, Pub is the Hub has saved many pubs, by bringing together post offices and shops in pubs. Some consistent funding, perhaps from regional development agencies, is needed for it, because it has probably done more than any other organisation to help save individual pubs.

Sport on TV has been mentioned by a number of hon. Members. Many marginal pubs rely on sport on TV. For example, many are looking forward to the World cup later this year. There is a relationship between this debate and that on listed events. I hope that before Parliament rises Ministers will confirm the new list of sporting events that must be available on free-to-air TV, because some pubs will never be able to afford subscription TV.

I think that it was Hilaire Belloc who said that the pub is the very heart of England. *[Interruption.]* I say that with sympathy for my Gaelic friends and for my Irish background, but I am sure that Belloc's comments have wider resonance throughout the United Kingdom.

Many hon. Members mentioned the numerous activities that take place in pubs. Only yesterday, at the Jug Inn at Chapel Haddlesey in my constituency—in the heart of England and the heart of Yorkshire—Councillor Jack Davie made a great presentation for the British Heart Foundation. He has made it part of his life's work to visit all the pubs in the area to help that charity.

Through the efforts of the hon. Member for Ribble Valley, my good friend, and the responses that we look forward to hearing from the Front Benches, I hope that although the pub will not be centre stage it will certainly play a part in the general election, and that candidates up and down the land will receive letters asking for their proposals and their views on the issues that face the British pub.

11.51 am

Mr. Andrew Pelling (Croydon, Central) (Ind): It is a pleasure, Mr. Gale, to serve under your chairmanship again this morning. It is interesting to see that a cross-section of those who were here for the pensioner debate are here also for the public house debate. Both debates have been attended by the highest class of Member.

It has been a great pleasure over the past five years to attend debates secured by the hon. Member for Ribble Valley (Mr. Evans) and the various events that he has sponsored. He has been a stout defender—no pun is intended—of British beer and public house business. He looks thin and fit on it. It is important that we debate this subject, given that the British Beer and Pub Association said yesterday in its pre-Budget report that there should be a lower tax rate for beer.

It has been my habit in previous debates to refer to important totemic public houses in Croydon that have been closed. Perhaps today I should refer to those that are thriving—or at least struggling with the burdens of taxation and other requirements put upon them by the Government and still doing reasonably well. I took the opportunity yesterday to speak to a number of public houses. I shall not ascribe particular comments to particular public houses, as it might compromise them, but it will give an illustrative background in support of points made by other hon. Members.

Those public houses are the Half and Half, the Claret Free House in Lower Addiscombe road, The Royal Standard, The Ship, The Builders Arms and The Spreadeagle. I was not able to reach those other excellent pubs, The Surprise and The Sandrock. I would not want to give the impression that I had been running from one public house to another yesterday evening, as I was busy here with the business of the House. However, it was helpful to be able to talk about some of their problems. I previously met the landlady at The Cricketers.

It is hard, given business rates and Government taxation, to keep the public house business going in these difficult times. One publican spoke about the impact of the recession. His public house depends particularly on clients aged between 25 and 30, and he has seen reduced patronage as a result of their loss of employment. Public houses would very much like to see rates and taxation reduced, but the business rate is particularly troublesome.

One interesting comment is that it is impossible to keep up with the supermarkets as their beer and wine is sold at a cheaper price per litre than water. That brings home some of the challenges that are faced. Another independent provider found that duties were too expensive, which caused breweries to cut the alcohol content of some of their drinks. As well as business rates and taxation, another burden is the cost of energy, something that has not been mentioned today. Such burdens make it difficult for independent providers to compete with big chains such as Wetherspoon; indeed, some say about the chain beers that they cannot buy a tin for the same price, let alone the beer itself.

Publicans in Croydon have some interesting reflections on the impact of smoking, but expressing different views. Some felt that it was difficult to ban smoking near doorways for those public houses that do not have gardens, but others felt that the smoking ban had had no impact on the industry, given the attractions that

they had to provide as public houses. The response of one provider was that smokers will arrive in rain or snow.

Mr. David Hamilton: May I make the point about the smoking ban? Most Members will be aware that it started in Scotland long before it did in the rest of the UK. One problem for many clubs is that women often refuse to go outside to smoke, and that has had a major effect on some of the clubs in Scotland.

[MISS ANNE BEGG *in the Chair*]

Mr. Pelling: That obviously has an impact; but it has an impact also on those public houses used by families. The hon. Gentleman is right; if women feel that it is not appropriate or unsafe, or that it looks wrong to be smoking outside a public house, that too can have a disturbing effect.

One point made in previous debates on the subject is that the public house acts as the centre of the community—as a place for the family. I spoke to a publican of a pub to which I had only recently been introduced by Croydon citizens advice bureau. I was impressed by its friendly nature; it was very family friendly. However, despite all our troubles, it is often said that even those who are redundant can always find the money for a drink. It is as if the recession has no effect. In some ways, that may seem rather flippant, but it tells of the importance of public houses in difficult times.

Public houses can be a place of respite. They can be places where people will find comfort in difficult times. Some may spend too much time at home trying to find employment, but being able to be part of the community may not only lift their spirits—again, no pun is intended—but may make them better able to find employment through the networking that public houses can provide.

Sir Nicholas Winterton: The hon. Gentleman is an independent Member and has spoken forcibly in many debates. Would he not describe the debate initiated by my hon. Friend the Member for Ribble Valley (Mr. Evans) as an emergency debate? The huge number of pubs now closing will create a huge problem for many communities. For many, the village pub or the community pub is the only facility where people can meet. It is important that the Government take the matter seriously, and that the Budget that we are shortly to have announces some relief for those in pubs and the smaller breweries.

Mr. Pelling: It is a great privilege to give way to the hon. Gentleman. I do not know how the House will be able to progress when it no longer has such independent-minded Members to ensure that Parliament thrives.

It is important that public houses thrive. As we heard in the many debates in which the hon. Gentleman and others have taken part, the community can be undermined by the loss of the post office or of local shops. When a parade of shops loses a public house, its size and importance mean that the rest of the shops often end up being under threat.

There are many implications. The real conclusion to throw to the Minister is that the thriving public house community in Croydon that I have described offers many different types of provision. The Bird in the Hand, for example, reaches out to the trans and lesbian community, and The Rose and Crown retails to the vegetarian community. There are many communities that can be catered for. Government talk about diversity and how everyone should be able to take part in a community, so this is a debate of very great importance. I look forward to the Minister's response.

12 noon

Greg Mulholland (Leeds, North-West) (LD): It is a pleasure to speak in this debate, and I congratulate the hon. Member for Ribble Valley (Mr. Evans) on securing it. The hon. Gentleman and friend is a fellow executive member of the all-party parliamentary beer group and a member of the all-party parliamentary save the pub group, of which I am chairman. Let me make it clear that I am speaking on behalf of both the Liberal Democrats and my all-party parliamentary group. Part of the reason for that is to give other hon. Members a chance to contribute to the debate.

I have a little bit of news for the hon. Member for Selby (Mr. Grogan). CAMRA and the save the pub group are hosting an event to which all three parties are invited. It will either be on 9 March or 16 March, and I hope that all three parties will take part and join other people from the industry and members of CAMRA.

I am pleased to be speaking in this debate, but frustrated to be still talking about the same issues. I am sick of always getting warm words—I prefer my beer cellar cool and not warm—and no action. I warmly welcome the Government's decision to appoint the right hon. Member for Wentworth (John Healey) as Minister responsible for pubs. I look forward to working with both him and the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Bradford, South (Mr. Sutcliffe) to get some action in the remaining few weeks of this Government. However, I would have preferred it if such an appointment had been made some time ago.

Let me rattle through a few of the important issues. We need to consider the level of beer duty and the way in which it has risen. We want the Minister to tell us that the duty will now be frozen, and we want to see the abolition of the beer duty escalator that has caused so much damage. I also agree that we should consider a lower rate for draught beer, which is something that both all-party parliamentary groups support. I should like to explore the possibility of a lower duty for real ale. Cask-conditioned ale is more costly to produce, store and serve, so I agree that we should take the fight to Europe. We should also consider minimum pricing, which the hon. Member for Selby also champions. However, let me add a note of caution. People talk about putting the level at 50p, but an independent body should assess the level so that responsible drinkers, either at home or in the pub, are not penalised. Such a scheme will help pubs to compete, especially as they offer that uniqueness that we all know about.

We need to consider live music in pubs. The Live Music Bill is going through the other place, but I ask the Government to review their exemption level of 100 people because it is not sufficient. The Bill stipulates 200 people, which would do more to help pubs as well as encouraging more live music.

Rate relief is another area of consideration. The community pub inquiry report stated that there was no recognition of the contribution that pubs make to the

[Greg Mulholland]

community, which was also mentioned by the hon. Member for St. Albans (Anne Main). Pubs make vast contributions to charity and offer a hub to the community, but that is not reflected in the rate system.

Mr. David Hamilton: The hon. Gentleman will realise from my comments that I am more of a club drinker than a pub drinker. There are a number of clubs in my area, which I actively support. If the hon. Gentleman is talking about rate relief, who will pay it? Local authorities in my area pay 80 per cent. rate relief to all the clubs if they make contributions to the local area. It costs the local authority £500,000 a year. Who will pick up the tab under his proposal?

Greg Mulholland: If we are serious about the matter, we need to value that contribution. I have to say that I do not agree with the hon. Gentleman's premise. I must move on now to the two main issues that must be tackled if we are serious about saving the British pub. All too often we have an air-brushed debate, which is deliberately manufactured by those in the industry who do not want real change. I refer here to the rather misleading "I'm Backing the Pub" campaign that is being promoted by the British Beer and Pub Association.

If we are serious about saving the pub, two things must happen. First, we must reform planning laws. As the hon. Member for Stroud (Mr. Drew) said, it is all very well to say that we support the pub, but until we give communities the right to stop the closure of the pubs—they have none at the moment—this is all talk. The Minister would have no say about the closure of his local pubs in Wibsey, which is in his constituency. Decisions to close a pub against the wishes of the community could be taken in Solihull, Burton-on-Trent or anywhere else. We need to have pubs in their own use class order so that any change of use to a pub would have to go through a planning process, which should include an independent viability study to see if that pub is, or could be, viable. At the moment, even pubs that are making money are being deliberately closed just to suit shareholders' interests, and that is a national scandal. We still have the absurd situation in which it is perfectly legal to demolish a free-standing pub overnight without planning permission or to turn it into a restaurant, a shop, a café, or, ludicrously in England and Wales, a financial services office. I have nothing against accountants, but let us face it, they are not hubs of community life.

The second issue is the structure of the industry and the way in which the tied tenant system operates. That is an area that must be tackled. Any solutions that do not tackle such an issue will not stop the closures from happening.

Sir Nicholas Winterton: Will the hon. Gentleman give way?

Greg Mulholland: I will not, unless it is very brief, because I am running out of time.

Sir Nicholas Winterton: I will be very quick. Does the hon. Gentleman, whom I respect for what he is doing on the issue of pubs and beer, not believe that the tied system is very important for the smaller brewer?

Greg Mulholland: That is an interesting point. One of the problems with this debate is that that argument comes out. The big pub companies say, "You shouldn't abolish the tie." No one is talking about abolishing it; we are talking about reforming it to make it fair for the tenant and the customer. The inflated beer prices are bad for pub consumers and the unfair rents are closing pubs. It is not about abolition, but about having a fair and transparent system, which we do not have. The excellent Business and Enterprise Committee report last year highlighted that issue and showed that even when pubs had a turnover of more than £500,000, more than
50 per cent. of lessees earned less than £15,000. That cannot be right, and it is about time that the Government did something about it. That means not waiting for the Office of Fair Trading, which has shown that it does not understand the issue and that it is of little use in this area, but referring the matter to the Competition Commission. The report concluded:

"The time has now come for Government to intervene to ensure a fair and legal framework."

Will the Minister indicate that the Government will do that, because this is an issue of fairness and of exploitation of workers—the kind of things that one would hope a Labour Government would take seriously.

The British Beer and Pub Association is trying to stall the process. I have nothing against the organisation, and I agree with it on many things, including on beer duty and minimum pricing, but it represents the big pub companies and breweries. It is not the voice of the industry as a whole. It has introduced what it calls a UK industry framework, but it is nothing of the sort because it applies only to its own members. As Greene King has shown, all one has to do if one does not agree is to leave the BBPA. In the meantime, the Independent Pub Confederation has come together with a number of organisations—CAMRA, the Association of Licensed Multiple Retailers, the Federation of Small Businesses, the Guild of Master Victuallers, the Society of Independent Brewers, trade unions and Justice for Licensees—to call for, among other things, reform of the tie.

If we are serious about British pubs, I want to make it clear that what we do not need is yet another debate. I am glad that we have had this opportunity for a debate today, but we do not need another debate to say how important pubs are. I have said that again and again and again—and they are important. However, that importance is not being recognised in planning law. Also, we are not dealing with the fact that more than 50,000 of our pubs are owned by pub companies that, in too many cases, really do not care about the impact of pub closures on communities. We need structural reform and reform of planning law. We also need to give the pub back to the British people.

I simply ask everyone here today to look at the Independent Pub Confederation's excellent charter "Time for a Change", and at CAMRA's beer drinkers and pub goers charter. Those charters are real manifestos for reform and reform is the only thing that we should be talking about today and in the future.

12.10 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to work under your leadership, Miss Begg, and it is also a pleasure to participate in a very helpful debate.

I am looking around at some of the faces in Westminster Hall today. It was said that there are some of the "usual characters" here. It is almost like a scene out of that old sitcom "Cheers", as we are gathered around a horseshoe-shaped table talking about these issues. Unfortunately, the similarities continue, because the very same subjects that came up in episodes of "Cheers" seem to be repeated by us here again and again and again.

My first question to the Minister today is about the appointment, very late in the day, of the Minister for Housing, the right hon. Member for Wentworth (John Healey), as the pubs Minister. I am very sorry that he could not be here today; this debate was an opportunity for him to lay out his stall. I do not understand why the Government have seen fit to appoint a pubs Minister, or pubs tsar as he might be called, so late in the day, with only 90 days or so until the general election. The right hon. Gentleman is Minister for Housing anyway, so his portfolio is already quite busy. He says that he has a few ideas in his locker; today would have been the ideal day to open that locker and let us see what is actually going on. It is a little bit like someone realising that their glasses are in their pocket at the very end of their driving test; it is a bit late to put things into focus and it is certainly a bit late to impress anyone.

Nevertheless, we have the Minister who is here today, the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Bradford, South (Mr. Sutcliffe). So perhaps he is able to answer some of the very pertinent questions that have been asked in the debate.

My first question to the Minister is about the co-ordination of Government voices. The Minister for Housing might be able to clarify this issue, but unfortunately I wonder where drinking sits within Parliament and who has responsibility for it within Government. Is it the Department for Culture, Media and Sport that has responsibility for drinking? Well, one could argue yes, and one could argue no. Certainly, licensing is supposed to be the responsibility of DCMS. However, I think that we have heard today that actually the Treasury pretty much has a grasp on what happens from the taxation perspective, without having an awful lot of conversations with the DCMS. Regarding the issues of antisocial behaviour and policing, one could also argue that it is the Home Office that is responsible for drinking, but of course local government, local authorities and so forth are also involved, which means that the Department for Communities and Local Government is involved too. Then, of course, there is the Department for Business, Innovation and Skills, which has produced its own report on pub ties, another issue that we have debated today.

Actually, I think that that description illustrates half the problem here. Is the pub industry well represented in Government? I think that the answer to that question is no. It is because of the confusion that things fall by the wayside, issues do not get confirmed or dealt with, and taxation goes up and down without someone standing up and saying, "Let's actually check this out—what is it doing for the British pubs?" The consequences of that are what we have seen: the huge numbers of pubs that have been closing week by week, month by month and indeed year by year.

However, let me roll back and congratulate my hon. Friend the Member for Ribble Valley (Mr. Evans) on his work on the Culture, Media and Sport Committee. He is a supporter of the drinks industry and he not only makes his case with humour and gusto but with relevance and detail. I think that the whole House will appreciate his efforts, and indeed those of other Members who are in Westminster Hall today, in ensuring that the drinks industry has a voice, and in particular the pubs.

As shadow tourism Minister, I appreciate the relevance of the role of the pub to British tourism. The pub is one of the reasons why people come to Britain, stay in Britain and enjoy Britain. It is part of our heritage and our culture. It is also unique. As much as people may want to try and replicate a pub in Dubai or Thailand, they cannot create a pub as good as those on our high streets and in our towns and villages here in Britain.

The contribution that brewing and pubs make to our economy is huge—£28 billion a year. From a tourism perspective, our pubs receive more than 13 million visits by tourists every single year. Also, one in four of us here in Britain drinks in a pub every week. Those are very positive statistics and the Government should certainly pay attention to them. Furthermore, from the perspective of employment, more than 500,000 people are employed in the industry directly and more than 250,000 people are employed in associated trades. Also, 90 per cent. of all alcoholic drink in Britain is brewed domestically, which is another very positive statistic that was cited by other Members earlier.

The issue of the pub tie does not go away; I think that it was the hon. Member for Leeds, North-West (Greg Mulholland) who made that point earlier. The pub tie needs to be reviewed. It has been examined by the Business, Innovation and Skills Committee. The pub tie has been around in different forms for a number of years. It has largely worked well, by providing an opportunity and support for people who want to run their own pub. However, the business model has come under scrutiny during this recession and tenants of tied pubs complain that the pub companies are demanding higher rents in order to pay back their debts.

So I ask the Minister to respond to the Business, Innovation and Skills Committee's report on the drinks industry and some of the changes that have been proposed in that report. I am certainly glad to hear that the pub sector itself is responding positively to that report, by trying to establish an industry-wide code of practice and by trying to ensure that would-be publicans are better informed and better qualified, and that there is an ability for tenants to appeal in circumstances where there is an unresolved dispute in a rent review.

I think that the mandatory code of conduct, which is being introduced in the Policing and Crime Bill, has been referred to by a couple of Members. I myself am not keen on a mandatory code; I would prefer a more voluntary approach. More intelligent policies are needed, with more of a touch of localism too, because what applies, for example, to my constituency in Bournemouth is not necessarily relevant in other areas. There should be freedom for local authorities and the pubs to work together to work out what is best for their particular area.

Sky television was mentioned earlier. I have had meetings with Sky and I am pleased to say that it is reviewing its rates system, to ensure that it is fair, because there might be only one corner of a pub with a TV, in which only 15 people—not a huge audience—can stand, and yet the pub gets rated for its entire capacity.

[Mr. Tobias Ellwood]

which might be up to 400 people because the pub has a lot of seating. My hon. Friend the Member for Ribble Valley made that valid point and Sky has responded to it positively.

Indeed, Sky has gone a step further, in talking about the debates in the upcoming general election. Sky would like to show those national debates between the party leaders and then get the local candidates in each area inside their local pub to continue the debate after the national debate has been shown on Sky. I would encourage all parliamentary candidates and indeed all current MPs to take up that opportunity.

The issue of rates, including business rates, was also raised. I am glad that the Conservative party came out some time ago with the idea that a Conservative Government will give the flexibility to local authorities to reduce the local rates on pubs, or indeed on post offices, or any other of those community assets that might be struggling through these difficult times. That is very positive. Labour Members shouted, "Where will the money come from?" The other dimension to this issue is that the local authorities will be able to keep the business rates for any new businesses that are created in a particular area, providing a link between business and the local authority, and encouraging small and medium-sized enterprises. At the moment, rates are simply collected and the money is sent to the coffers up in London.

I want to pay tribute quickly to some of the initiatives that pubs themselves have taken on board: Pubwatch; crime and disorder partnerships; Best Bar None; Purple Flag; the Campaign for Smarter Drinking, and Drinkaware. I have visited a number of pubs in Bournemouth and indeed elsewhere that are involved in some of these initiatives, and I was very pleased to see that they are local initiatives that are not led by the Government in any way, showing that the pubs themselves have a sense of responsibility. That point echoed around Westminster Hall today; that inside the pubs is where responsible drinking takes place and that is where the landlords and landladies take care of those who are inside. Unfortunately, pubs do get a bad name. We are occasionally seen as the drunk man of Europe, but that is not the fault of our pubs—absolutely not—and that point needs to be underlined.

There are other initiatives that I would like to see developed in the future. Certainly the issue of preloading needs to be addressed; my hon. Friend the Member for St. Albans (Anne Main) made that point. It is a disgrace that when Labour came to power the price of beer in a pub was twice that of beer in the supermarket but now the price of beer in a pub is seven times that of beer in the supermarket. Is it any wonder that people are loading up on alcohol before going to the pub, or buying alcohol in the supermarket and avoiding the pub? That issue needs to be addressed. We will place a cap on the price of loss leaders in supermarkets and I hope that that will work.

Time is tight, so I will conclude by saying that far too many pubs have shut; 4,000 pubs have shut since the Budget of 2008. There was a tax break—the VAT reduction that my hon. Friend the Member for Ribble Valley talked about, very acutely. However, the duties went up in response. That is not a way to look after our pub industry. Unfortunately, the Treasury is failing us, more so than the DCMS. The Treasury will lose about £250 million in receipts by 2010 if the present rate is maintained.

My final point involves what are called stakes without prizes machines, on which people in pubs can play The Weakest Link, Monopoly, Cluedo or Scrabble. They are not considered gambling machines; they are considered quiz machines. Yet a joint statement on 12 December said that there would be a three-year retrospective tax payment for such machines. That is disgraceful and will cost the industry about £90 million a year during its toughest moment. The Minister gave us no guarantee in his earlier intervention that the tax would be removed. It is still on the cards, unless he corrects himself in his statement.

I am afraid that the Government simply do not get it. They do not understand that by looking after the pub industry, they can make more money for the Exchequer, help defend our communities and preserve the glue that holds our society together. Instead, they are trying to turn a nation of quizzers into gamblers, which is simply wrong. It is time to say goodbye to this Government unless they can come up with something far more imaginative, which I do not think will be the case.

12.21 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): It is a great pleasure to respond to this excellent debate and to serve under your chairmanship, Miss Begg. I congratulate the hon. Member for Ribble Valley (Mr. Evans), whom I call a friend. We have shared a number of pints in a number of pubs while attending a variety of events. I know that he speaks with passion on the issue. It is not just something that has come up today; he has been consistent over his many years in Parliament about the role of the pub, and has been a loyal member of the all-party beer group, many members of which are here today. I congratulate the all-party group on its work.

One thing that this Government cannot be accused of is not having, listening to and responding to a number of debates about pubs and their future. The passion of many of the hon. Members who have contributed to this debate does not hide the context of the issues facing pubs. Anybody who stood up and said that every pub in the land could be saved would be completely wrong. The pub industry is facing great change, and many of the issues must be seen within that context. It must also be accepted that people's drinking habits have changed dramatically, which has had an impact on the number of pubs that have closed. I will try to respond to the issues raised that are Government issues, but some are for local government, some are for Europe and some are for the industry itself.

I understand what the hon. Member for Leeds, North-West (Greg Mulholland) said about the tie. It is a competition issue. I have been closely involved with it not only as licensing Minister but previously, as consumer Minister and competition Minister. There are problems that must be addressed. I think that the route that the Campaign for Real Ale has taken is the right one, and I know that colleagues in other Departments have concerns. We need to ensure that we address the issues.

It is right that the British Beer and Pub Association has a view on tied pubs. The BBPA was trying to say that that is not an issue, and it has claimed the same

thing in deliberations with me. We need to get to the core. The fact that the Office of Fair Trading is considering what CAMRA said is a step in the right direction.

Greg Mulholland: Some big pub companies say that bad tenants are the only problem. I bring the Minister's attention to a leaflet delivered by Enterprise Inns in Otley, in my constituency, where Enterprise Inns has been involved in a number of high-profile disputes. The leaflet says:

"Have you ever sat in a pub and wondered what makes it great and thought.... I could do that!",

yet Enterprise is seriously suggesting that it is not deliberately trying to attract people who cannot run pubs in the first place. That is an issue that needs to be dealt with.

Mr. Sutcliffe: I accept what the hon. Gentleman says. I know that he will continue to work with the various bodies in the House that see that as an issue, and I will work with him to ensure that we do what we can to influence serious consideration of the issue.

Lots of hon. Members have spoken of the role of my right hon. Friend the Member for Wentworth (John Healey), who was named as pubs Minister in the *News of the World*. He is one of a number of pubs Ministers, as the issue has effects across government. However, he is specifically considering the issue mentioned by my hon. Friend the Member for Stroud (Mr. Drew), which is how planning can be changed to support community pubs and whether we might consider community ownership in finding ways to deal with the problem. My right hon. Friend has been tasked to do so quickly, and I hope that he will introduce proposals in the next few weeks.

Mr. Ellwood: Will the Minister give way?

Mr. Sutcliffe: Very quickly, as I need to respond to other issues.

Mr. Ellwood: It is an important point on the new appointment. To whom does the pubs Minister answer, when will he report and how will we scrutinise what he is doing?

Mr. Sutcliffe: He answers to the Prime Minister, as all Ministers do. I think that the hon. Gentleman was at the event organised by the all-party beer group last year or the year before last on the publication of its report. Five Ministers attended that debate to discuss our roles in supporting pubs. I am slightly confused. He says that one Department should deal with—

Mr. Ellwood: I did not say that.

Mr. Sutcliffe: Well, I apologise if the hon. Gentleman did not, but he tried to indicate that it should not be the role of many Departments to consider the issue. Alcohol is obviously of great concern in terms of health—

Mr. Ellwood: I said that there needs to be co-ordination.

Mr. Sutcliffe: To return to the point that this is a general election issue, I am highly in favour of that. It is right that issues close to our communities should be discussed in public, especially at general election time. However, I find it interesting that the hon. Gentleman did not mention what an incoming Conservative Government would do about beer duty. I put that on the table for those who will be considering the issues—

Mr. Evans *rose*—

Mr. Ellwood *rose*—

Mr. Sutcliffe: I will give way briefly to the hon. Member for Ribble Valley.

Mr. Evans: The Minister is in power. He can say something about taxation. What is he going to do?

Mr. Sutcliffe: I will deal with that question. I just thought that it was interesting that the Opposition did not deal with it when we touched on it.

Mr. Ellwood: I echo my hon. Friend's point. The Minister is under scrutiny, not us. When the election is called, he will understand in more detail what our plans are. However, for the record, we have made it clear that we will increase taxation levels on alcopops and spirits. Beer drinkers will undergo a net reduction, as they will not be affected. We have made those announcements; they are in the public domain.

Mr. Sutcliffe: We will look with interest at the budgets and the Opposition parties' responses to what the Chancellor has to say. Taxation is a matter for the Chancellor, but he listens to representations from the different sectors. His deliberations will be set against the public finances when the Budget is decided in the not-too-distant future.

I am sure that the hon. Gentleman is aware of the great concern in the House about beer duty and the effect on pubs. I am glad that the hon. Member for St. Albans (Anne Main) mentioned irresponsible publicans and alcohol sales. I believe that the Licensing Act 2003 has helped local authorities and communities deal with irresponsibility. The vast majority of publicans act responsibly. She is right that the fact that they can show that they act responsibly is one important contribution of the Licensing Act to supporting measures to address problem drinking.

Pré-loading is an issue that needs to be faced. It is a cultural thing. We need to educate people about how it affects youngsters and their health; it affects youngsters in particular.

Anne Main: It is about price.

Mr. Sutcliffe: Price is an issue. We have been considering a variety of the issues. The Department of Health is considering minimum pricing. I understand that it is an issue in Scotland.

Mr. David Hamilton: It is a hot debate in Scotland at present. I realise that we have only a few minutes to go, but surely we do not want to reinvent the wheel. I encourage the Minister to talk to his colleagues and look at the debates taking place in Scotland so that we do not need to repeat them down here. Let us learn from what is happening up there.

Mr. Sutcliffe: I am grateful to my hon. Friend for his experience. We will have those discussions. I understand that the Scottish Government are having difficulties introducing minimum pricing. We will wait to see what happens.

The British pub is important. Earlier, we discussed the definition of a community pub. From my perspective, that definition includes members' clubs, not-for-profit clubs and other clubs that affect our communities and offer sport, cultural and community activities. The smoking ban has been mentioned. Do hon. Members forget that the overwhelming majority of Members of this House voted for the smoking ban? I understand that there have been issues with its implementation, but we have considered best practice to ensure that the ban has been applied so as to meet policy objectives, as well as to find ways of supporting those who want to smoke. It was the Government who introduced the amendment for the smoking ban to include clubs, which some hon. Members voted against. I lay that on the table. Sometimes memories are selective.

Mr. Greg Knight: Some of us voted for it.

Mr. Sutcliffe: Indeed, but the overwhelming majority voted for the ban.

Sky TV is important, particularly to me in my role as sports Minister. Like the hon. Member for Bournemouth, East, I have met Sky and been told that it will change how it handles rateable value. We think that that will be a step in the right direction. We are aware of the issues relating to community pubs in particular—

Miss Anne Begg (in the Chair): Order. We must move on to the next debate.

Manufacturing Industries

12.30 pm

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): I am grateful to Mr. Speaker for the opportunity to raise these important issues this afternoon.

This is the third time in the past year that I have drawn attention to the critical issues affecting manufacturing and other businesses in my constituency. I believe patterns can be seen across the country. Most of the issues I raised in the previous debates remain valid. As the Minister would expect, I will emphasise particular issues this afternoon.

Manufacturing matters, as the Engineering Employers Federation campaign "We Love Manufacturing" makes clear. It has designated next week as manufacturing week, in anticipation of which it has asked why manufacturing matters. Its answer is that it accounts for 14 per cent. of the British economy, 2.5 million jobs and 50 per cent. of British exports. As it says:

> "Manufacturers make real things. Everything around us in fact—like the medicines that save lives, the food on our tables, and the technology we're going to need to tackle huge problems like climate change."

It states that:

> "Manufacturers are critical to a better balanced economy. If we're going to pay our own way in the world, we need to put manufacturing at the heart of a healthy economy."

I agree with that, as I expect does the Minister.

Before coming to the House, I spent almost 10 years as a chartered accountant and had many manufacturing clients. Over the past 12 years as an MP, I have known many manufacturers in my constituency. That has re-emphasised my commitment to the manufacturing cause. My constituency is a rural one that covers a vast, beautiful area of 1,500 square miles, but appearances can be deceptive. Agriculture and fisheries are of course important sectors from the Berwickshire coast and arable areas through to the hills of Selkirkshire, but manufacturing is hugely significant and is more important in the borders than in other parts of Scotland and the UK. The latest statistics from the Office for National Statistics estimate that there are 5,800 jobs in manufacturing in the borders, which represents 13.3 per cent. of the work force. That compares with 8.7 per cent. in Scotland and 10.2 per cent. in the UK.

The borders are closely identified with textiles, which was the subject of a debate I was lucky enough to secure in the autumn. Many of the companies in that sector have been around for centuries. There is a long list including Peter Scott & Co., Hawick Cashmere, Lochcarron of Scotland, House of Cheviot, Barrie Knitwear and Shorts of Hawick. Those companies have been synonymous internationally with tartan, knitwear and hosiery for decades, if not centuries. In the same year as the founding fathers declared the independence of the United States of America, 10 mill owners came together to form what is now the Scottish Borders Manufacturers' Corporation, which to this day plays a key part in the local economy of south-east Scotland.

Our manufacturing base is much broader than the textiles sector. In electronics we have Plexus in Kelso and Tweedbank, which specialises in electronic manufacturing services; in tool making we have the world-leading LS Starrett Co. in Jedburgh; in food

processing we have Farne Salmon and Trout in Duns and John Hogarth in Kelso; in software, Sykes still has a significant presence in Galashiels; in timber frame manufacturing for house building, Oregon in Selkirk is one of the country's leading manufacturers; and in the exciting future industry of fibre optic cable, one of the country's leading companies is Emtelle, which is based in Hawick in my constituency. I am bound to be in trouble for missing out many important and significant local businesses, but I hope the Minister gets the message about the diversity of the local manufacturing economy, how impressive the businesses are and the fact that they are surviving and remaining internationally competitive.

I wish to see those businesses continue to be internationally competitive and they have no choice but to be so. They are dependent on world markets for their sources of supply, whether it is Chinese cashmere fibre or north American timber. When they have turned those raw materials into manufactured goods, they are exposed to all that the globalised markets of the 21st century can throw at them, including competition for investment. People are entitled to ask why a group would make coat hangers in south-east Scotland when it has factories in Morocco and Bangladesh or why Ahlstrom recently invested £20 million in an 18th-century paper mill to develop glue-free teabags, the main market for which is Japan, when it has facilities in India, China and Thailand. All of those businesses compete with the best; internally to ensure that they secure investment for the future and externally to win market share.

There are plenty of smaller businesses, such as Berwickshire Electronic Manufacturing Ltd in Duns, which is one of a range of niche players that specialise in tiny markets. Many businesses come together under the banner of the Scottish Borders Exporters Association, which covers everything from industrial heat exchangers and cleaning chemicals to giftware and food. We are proud in the borders to have some of the finest primary produce in the country and are beginning to add value to it through manufacturing. Groups such as the Scottish Agricultural Organisation Society and the Food and Drink Federation have many members in the borders and rightly highlight the importance and great potential of food manufacturing in the area.

Understandably, confidence in the future is currently a precious commodity that is in limited supply. The recession that lasted for six successive quarters has been followed by anaemic growth at best. I understand that the figures might be revised on Friday. Unemployment levels in the borders are at their highest since the Viasystems debacle and collapse a decade ago. There has been an increase of 31 per cent. in claimants for jobseeker's allowance over the past year.

The UK trade deficit in manufactured goods was nearly £13 billion in the last quarter, which is part of a sadly familiar pattern. I emphasise that we must not use that deficit to signal that we are giving up on manufacturing. If we address the key issues and provide the right kind of support, there is much to play for.

It is critical that we boost economic activity across the country. We have had the private sector recession, but we face the prospect of a public sector recession that will engulf the economy as we tackle the country's enormous budget deficit. While we are in such fragile circumstances, manufacturing, like other sectors of the economy, needs Government spending to be maintained. I do not want to see any rush to cut spending, although like everybody else I recognise that a serious programme will have to be introduced at the appropriate moment.

Liquidity and bank finance remain a serious issue. A recent report by the Public Accounts Committee indicated that the part-nationalised banks will fall short of the legal requirement to lend £39 billion by the end of this month. As the Committee Chairman, the hon. Member for Gainsborough (Mr. Leigh), said:

> "The Treasury does not seem to know why the banks are not lending and has few sanctions available to make them change their minds".

As the Minister will recall from responding to the debate I secured on textiles in the autumn, that is a theme I have covered before.

One of my constituents got in touch with me in anticipation of this debate. He has a successful manufacturing business and has had a year of growth and improved profitability. Despite that, when he sought to renew his overdraft facility at the same level as before, he was told by his bank that he could do so, but that the new rate would be 7.5 points over the base rate. I do not know what the Minister thinks of that, but it is a scandal. My constituent is right when he says in his e-mail to me:

> "I ask you how any business can see any support for growth."

As the Minister will recall, I raised that issue last year, particularly in the context of the enterprise finance guarantee. I have subsequently asked a number of people what they make of the guarantee and many simply dismiss it as a political stroke that seems to have underpinned the banks without increasing their appetite for risk.

On skills, I hope that we might soon get some clarity about how the new sector skills council will take on the textile industry—I understand that it will be done through Skillset rather than Skillfast, which is another vast meaningless name that does not tell us much about the organisation itself. A fortnight ago in Hawick in my constituency, I was at a meeting convened by my colleague, Jim Hume, in the Scottish Parliament. The Scottish Skills Minister, Keith Brown, attended and, because of the mess over the demise of Skillfast, he was able to blame Westminster for the fact that the Scottish Government are not doing anything about training in textiles. Disappointed as I am about the demise of Skillfast, I hope that the Minister will now remove that excuse and give us some assurance that Skillset will do what it needs to.

Many of the issues relating to infrastructure have been devolved, so I will not mention roads and trains, although the east coast main line is of major importance to my constituents. I hope that I will be able to have a meeting—one has been postponed—with Transport Ministers to discuss that. On digital, we were promised a rosy future and, frankly, the difference between success or failure may lie in the quality of the digital infrastructure. I repeat a plea I made to the Secretary of State for Culture, Media and Sport: let us get to that future—although it is still doubtful how we do so—but let us not forget about the here and now. Mobile phone coverage in the south of Scotland is still patchy, the 3G data network is a joke and broadband remains inadequate. It

[Mr. Michael Moore]

is ironic that Emtelle is creating some of the finest high-tech cabling products in the world, yet none of it can be used in my constituency.

Finally, I want to raise the serious issue of competition. I hope that the Minister is on top of the issue that has been brought to the attention of the US trade representative, Ron Kirk, by the American National Textile Association about how the Chinese appear to be playing around with their export value added tax arrangements to subsidise the cashmere industry in China. In my constituency, people have long memories and remember the problems of international trade battles in relation to the banana war. That issue is very direct and important to them, and they are concerned that the actions of the Chinese might seriously unbalance the competitive playing field and threaten their future.

We currently make a lot about sustainability, and rightly so. At a time when we are increasingly concerned about our carbon footprints, people are looking to see what we are doing about our manufactured products and asking if it is sustainable for so many of them to be sourced in China and the far parts of Asia. In development and human rights terms, people are becoming more interested in the quality of life of the people who make the products we buy so cheaply in the UK. It is important to ensure we have a manufacturing sector here, so that when the tide has turned, we can respond to people's concerns about sustainability.

Outside bodies recognise the need for a clear focus on manufacturing and to deal with regulation, red tape and many of the traditional concerns. In the south of Scotland, through the local councils and economic development agencies, we are implementing the competitiveness strategy, which focuses on many of the key issues I have raised in the debate. Those officials and the thousands in my constituency who work in manufacturing want to see their efforts backed up robustly by the UK Government. The EEF puts it neatly:

"Manufacturing is the real business. Critical to the UK economy. Critical to our future."

Manufacturing needs to be supported in a way that indicates the Government agree with that sentiment.

12.45 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): It is a pleasure to serve under your chairmanship, Miss Begg, and to hear from the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) about manufacturing. I can assure him that the Government have not given up on manufacturing and, as someone who represents a strong manufacturing constituency, it has been my commitment since being elected to Parliament in 2001 to ensure that manufacturing is central to Government policy.

I am delighted to serve in a Government who have put manufacturing at the core of the activity of the Department for Business, Innovation and Skills. We fully recognise, as the Engineering Employers Federation has said, that manufacturing is a vital sector that needs intensive support and co-operation from Government, employers, trade unions, regional development agencies and, in the devolved authorities, from bodies such as Scottish Enterprise. That element of co-operation is vital to the future of manufacturing.

I was interested to hear about the range of companies in the hon. Gentleman's constituency. Although he is right that the traditional view of the borders is that it is a beautiful area—I am familiar with it, as I have relations there—I am not surprised that there is a range of manufacturing activity there, because Scotland has a proud manufacturing tradition and history. It also has a profound history of innovation from the days of the industrial revolution onwards. That is a characteristic of the textile industry, which I know is important in his constituency.

Innovation is central to my Department's work at the present time, and the assistance that the Government are able to offer in the realm of innovation to businesses of all kinds in the UK is very important indeed. Innovation does not just come from large companies; in fact, some of the most impressive companies I have met and dealt with since I have been in post are smaller companies with keen ideas that add greatly to the UK's manufacturing capability and to the steps taken to maintain our manufacturing industry. It is extremely important that we work to support those companies. Support for employment in manufacturing is very important indeed.

It has clearly been a very difficult two years, and the pressures of the international situation have impacted heavily on business across the UK in all our constituencies. My Department has offered specific support for individual businesses through the help for business scheme, which I used before I became a Minister and have used since to assist particular companies with difficulties they have had in dealing with, for example, access to finance.

In my experience, there has been some success in pursuing, for example, discussions with banks through that scheme. If the hon. Gentleman has specific cases he wishes to raise, I invite him to bring them forward. My Department stands ready to assist if it can with all those cases by engaging with banks and providing assistance in securing access to finance if at all possible. I have done that in the past and it has been successful in certain cases I have encountered. I am pleased to offer that facility to the hon. Gentleman if he or his constituents wish to take it up.

The hon. Gentleman referred to the enterprise finance guarantee in a rather disparaging way, I am sorry to say, and I would take him to task slightly on that point. The enterprise finance guarantee has offered real help to businesses in Scotland, as 81 loans have been drawn for Scottish companies worth £16 million, so assistance has been provided in those cases.

Mr. Moore: To be clear, I am not disputing that money has been lent through the EFG, but I would like to understand whether that is money that the banks should have been lending anyway, which the EFG now presents with a nice little risk cover, or whether it is available for genuinely new ventures that the banks would not have touched with a barge pole. Where is the independent analysis of the quality of that lending?

Ian Lucas: We consider and assess individual applications, and provide assistance where we believe taxpayer support is needed. The Government came under a great deal of pressure as a result of the recession, and mechanisms were put in place to assist business and provide support at a difficult time. That is the purpose of the EFG,

which has provided assistance. We believe that the assessments that have been made have supported that assistance.

The Government also stepped in to provide financial support for the economy as a whole. We brought forward £30 billion of spending from the public sector to support business, enterprise and industry in the UK. I believe that that has been absolutely crucial to securing what is still, I fully accept, a slow and difficult recovery, but it was vital that the Government took that step. This morning I visited a construction company, Laing O'Rourke, and I know that the public sector has been very important in the construction sector.

With regard to the hon. Gentleman's point on infrastructure, I come from the north-east of England, so I know that the connections through that region to Scotland were in the past not the best, but the infrastructure projects and the links to Scotland along the east coast, not only by rail, but by road, too, have improved immeasurably since the Government came to power, and I have personal experience of that. I am pleased to say that when I visited the north-east last week, there was still substantial infrastructure work going on, providing jobs and employment in the construction sector that would not be there if the Government had not committed themselves to carrying out that work by bringing forward the public funding.

The hon. Gentleman made a good point on broadband infrastructure. It is important that we have the infrastructure to create a digital Britain and improve our existing connections in both the mobile phone and internet sectors. We have put forward clear proposals through "Digital Britain" to roll out broadband across rural areas. They are opposed in some areas by some political parties, but we believe that it is extremely important to provide a strong infrastructure to compete in the innovative sphere of the digital economy, and that is why we are introducing legislation in that regard.

We are also strongly committed to upskilling in our economy, providing training and strong support for work force development. In an innovative sphere, it is important that individuals upskill throughout life, both when they leave school and move into the work force and throughout their employment. It is only by doing so that we can contend at the highest level with competition across the world. We recognise the importance of skills and training. Skills are a devolved issue in Scotland, so the primary responsibility for support rests with the Scottish Government. Although I am not surprised that they perhaps attribute any difficulties in delivering skills in the Scottish context to the UK Government, I do not think that that is particularly fair.

I am of course aware that since the hon. Gentleman and I last debated the matter, the decision has been taken to disband Skillfast and replace it with Skillset. It is important that skills are developed in the textiles industry because of the innovative context in which it operates. We have a high-quality product from Scotland in the textiles sphere, and he is well aware that we compete across the world successfully because of the quality of the product, particularly that which comes from the borders. We need to concentrate on skills to make that product sustainable and even more competitive so that we can ensure that there will be a positive sector in the textile industry in Scotland for a long time to come. That depends on our continuing to upskill, to improve the product and perform in a positive way. That also means that we need to attract high-quality talent, not only to the textile manufacturing industry, but to manufacturing generally.

We need to change the perception of manufacturing, so I welcome the campaign by the Engineering Employers Federation and the three-day event in Manchester next week called the Big Bang, which is for young people and is intended to encourage interest in science, engineering and manufacturing. The hon. Gentleman is an accountant, and I am a lawyer—*[Interruption.]* Indeed, that is a first. I must confess that when I was looking at careers in the late 1970s and 1980s, my knowledge of manufacturing was extremely limited, but in my work, I have been extremely impressed by the quality of the industry as a whole, by the intellect and intellectual challenge within the industry, by the capabilities of the management and by the great challenges the industry needs to face.

We all know that in future, we will operate in a low-carbon world, which poses huge intellectual challenges to those who work in manufacturing, and it will be today's young people who will have to meet those challenges. The Big Bang event in Manchester is about that challenge. It is about showing younger people how exciting manufacturing is, how we have a huge capability already in the UK, how we operate in a globalised industry, and how many of our major manufacturers are global players, which of course offers great incentives to individuals to work in those spheres. I am a great proponent of manufacturing as a career for young people. We have a proud history and tradition of manufacturing in the UK, and in Scotland, and I think that in recent decades, we have not shouted loudly enough about its importance. I strongly welcome the fact that the EEF is promoting manufacturing, and welcome the Big Bang event in Manchester, and I encourage younger people to get involved in it.

The hon. Gentleman raised a couple of points, one of which related to VAT, and I am aware of the concerns in that regard. VAT rebates on exports are legal under World Trade Organisation rules. That is a normal part of global trading, but the allegation of manipulation of the rebates is an issue of real concern, because it can lead to trade distortions. I can assure him that DBIS officials are consulting the UK textiles trade association and individual companies to see whether China's export VAT rebates are a widespread concern and to obtain any evidence of export rebate manipulation. We are considering that issue, and any information he has that would assist further with that would be gladly received.

Foreign-Registered Lorries

1 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I am grateful for this opportunity to raise the issue of the increasing number of foreign lorries using our crowded, over-used and, to some degree, crumbling road system and taking an increasing share of business from British hauliers. They are grabbing an increasing share of the cabotage—domestic business—and constituting a threat to our British haulage industry. The number of British vehicles fell by 30 per cent. between 2005 and 2007, and it has fallen more since then, yet foreign lorries operate tax-free here while British lorries face in Europe an increasing burden of tolls and charges which are driving them out of European business.

I want today to ask the Government to assert the principle of British lorries for British business by creating what one might call a level motorway, and by taxing the foreign lorries using our roads to ensure that they pay their dues. This is a plea to Ministers to end the kind of defensive complacency that has characterised our approach to the increasing number and proportion of foreign lorries up to this stage.

The problem has been growing for some time, and it has been amplified by the entry of new eastern European countries to the European Union, particularly Poland, whence many lorries come, and, since May 2009, by access of foreign lorries to the UK domestic market. Increasing numbers are coming and using our roads. The Vehicle and Operator Services Agency tells us that such lorries are three times more likely to have mechanical defects than British lorries. They are also more likely to be involved in serious accidents. Indeed, the Department of Trade and Industry as was—may it rest in peace—estimated in 2008 that they were eight times more likely to be involved in a serious accident. They are less likely to pay fines imposed by VOSA. Indeed, until last year, it seems that they did not much bother to pay fines. Now fines are mandatory and are being paid, but not at the same level as British operators.

Foreign lorries now have 80 per cent. of the roll-on/roll-off business to Europe, whereas, 10 years ago, British firms had just over one half of that business. That is an indication of the increasing share of the market that foreign lorries are getting. They are also doing domestic business. Trailers are shipped to UK ports, coupled with foreign trucks which are here already and delivered to UK destinations under that system.

I often go out to Immingham to get a breath of fresh dock air from the North sea and to view the charming docks scenery. There we have a huge lorry park provided by North East Lincolnshire council. It does not give anything away to the residents of north-east Lincolnshire, of whom I am one, but is free to foreign lorries which appear to be the main users—they are the large proportion of users. On a weekend, there are usually about a dozen Walter Koop lorries there waiting to be coupled up to trailers coming in across the North sea for delivery in this country, and those Koop lorries appear to me, a casual driver driving past, to stay in this country.

There are also on any given weekend about 20 or more other foreign lorries: German, Dutch and Polish. There is a large lorry population that appears to be resident in this country and allowed to use our roads yet cannot be paying taxes in this country, because we do not levy tax on them. I want the Minister to have a look at the Immingham lorry park and tell us whether those vehicles in fact go home. Do they pay road taxes and dues anywhere? They are not paying them here, yet they appear to be permanently stationed here.

Foreign hauliers start out with a huge competitive advantage over our hauliers. When the lorries first come in, they have full tanks that hold up to 1,200 litres of diesel. Despite the devaluation of sterling, diesel is still half the price in Europe that we pay here. Also, many hauliers use cheaper drivers. I do not understand the language of the drivers in the Immingham lorry park who invite me to go forth and multiply after taking photographs of them. They appear to be eastern European and have little English. I suppose that they are reliant on satellite navigation for getting around the country. The drivers of those foreign vehicles are certainly paid less than British drivers.

We allow foreign lorries, with those competitive advantages, to operate here free of tax and charges. They make no contribution to our roads, despite the damage that they do to them. They make no contribution to our health costs, yet they emit large quantities of health-giving diesel fumes across our countryside. They cause accidents but, unless they are fined, they make no contribution.

Meanwhile, our lorries are heavily taxed. The standard rate for large articulated goods vehicles is, at its highest, £1,850 for 12 months. British lorries are highly taxed, but their European competitors are allowed to operate for free in this country. That is an unfair and unreasonable competitive advantage to them and an imposition on the British industry.

It is no wonder, in that situation, that the British lorry fleet is declining in numbers. Governments of both parties have been content for a long time to tax lorries heavily in the hope of transferring business to the railways, where it can be efficiently dealt with. Unfortunately, the heavy pressure of taxation has succeeded in transferring business not to the railways but to foreign lorries delivering in this country. That is a total failure of the policy of heavy taxation of road transport.

Yet British lorries face substantial charges when they go to Europe. First, they face heavy toll charges on the motorways, certainly in France; charges are slightly lower in Spain and Italy. It is not that such charges are a voluntary tax on those who use the motorway, because the increasing use of weight restrictions forces drivers off the secondary roads and on to the motorways where they have to pay charges which we do not impose in this country. Those huge toll charges can increase the cost of delivering goods to Spain or Italy by £100 or more.

The Government might say that if we had toll charges here—we have a few miles on the M6, I gather, and there is the iniquitous Humber bridge charge, which is the highest estuarial charge in the country—we could equal those charges. But we cannot; we do not impose such charges here.

Secondly, British lorries face vignette charges. I have a vignette here. It is a complicated little document which was purchased on the ferry going over to Europe. It applies in Belgium and Holland. It costs €8 per day to operate in those countries and the charge could, I gather, go up to €11. The one I have here is for €8. That is a charge on British industry that foreign lorries coming here do not have to pay.

Thirdly, there is the elaborate and very expensive system of road user charges in Germany, which are charged per kilometre and depend on the emissions level of the lorry. Those charges must be paid on entry, so a lorry drives over the border into Germany and it has to stop at the nearest available filling station to buy tickets. I have some tickets here, which were paid by Grimsby vehicles going into Germany. These are some of the charges: for a Euro 2 vehicle for 119 miles it is £53 for a single journey to the point of delivery. That is a hefty charge on a British lorry. There would be another charge, payable at another filling station, coming back. For a Euro 3 vehicle for 93 miles the charge is £30. The figures are in euros, of course, but I have converted them. For a Euro 3 vehicle for 128 miles it is £40.

How is it legitimate for our vehicles to face those heavy charges in Germany? Although the motorways are free, the vehicles are charged for their one-way journey and then face another charge for the journey back. There is no time to hang around in the hope of collecting a return load, because a charge is payable for that time as well and for driving to collect the load. It is a heavy burden on British lorries, and if they do not pay or do not have a ticket, they are stopped and dragged off to a cash point to raise the money with a credit card—as our former Prime Minister, Mr. Blair, would have done with hooligans. The fines can be up to €1,000. The German authorities seem very flexible and sometimes commute the fines, but they are heavy. When drivers ring the British embassy, they are advised to cough up and claim it back later—that is helpful advice. It solves nothing if they have not got a credit card. That is the situation.

The German system is called Toll Collect and is run by a central computer. There are 300 vehicles patrolling the autobahns, with 550 staff from the Federal Office of Freight and 300 overhead gantries monitoring the vehicles. The system cost €700 million to install. German vehicles are required to carry an on-board unit, because they have to pay charges as well, although I am not sure that they pay them on this scale. It would be horrendous if the charges levied on our lorries were exercised on German vehicles. The unit clocks up the charges. British vehicles have to buy tickets instead.

That scale of charges through tolls and vignettes in the German system is in sad contrast to the situation here, where European lorries operate for free and get a warm welcome in our free car park in Immingham, which is well placed for pizza and the pub. They get a good deal in this country. My question for the Minister is, what are we going to do about it? The Government have tried; they have spent £40 million on consulting for a system of dealing with the problem. In 2002, they proposed legislation for what was variously called a British road infrastructure tax disc or a vignette, but they dropped that idea to look at road charging more generally, which they then dropped to do nothing. The vehicles are still not being charged and the situation gets worse.

I have put forward proposals from my constituent, Mr. Alan Overton, for a control system less elaborate and expensive than Germany's. People would be charged on entry and the system would be monitored by 40 vehicles and a central computer. I put that to the Ministry, and it has shown no interest. We have an increasing problem with foreign lorries, which are making no contribution, and our Treasury is desperate for tax contributions and to levy taxes. If imposed, the system would produce serious revenue for the Government. Why are we ignoring the opportunity to do something, when industry is crying out for something to be done? The foreign lorries are making no contribution and exploiting our good will. The proposal would raise tax revenues to deal with the current economic difficulties.

In conclusion, why is nothing happening? Why is there a complacent belief that the water around the coast is a sufficient barrier to protect our industry when it has been so badly hit in Europe? Will the Minister meet me and Mr. Overton to discuss the issue? Will he act urgently to see that foreign lorries pay their share and will he accept the view that I offer today? If the Conservatives win the election, and I devoutly hope that they will not, they, and the Liberals, are committed to acting, so why are the Government not acting?

Surely, it is not beyond the wit and ability of officials in the Department for Transport and the Treasury to devise a tax structure for foreign vehicles that ensures that they pay the same kind of heavy taxes, proportionate to their briefer stays in the country, that British lorries pay. Why should they not pay their share of the vehicle duties that we impose? At a minimum, why should they not pay the €11 a day vignette charges, which are allowed? Why should they pay nothing? Surely, the brains at the Department for Transport, if applied to the matter in conjunction with the supreme intelligence at the Treasury, can devise a system that works, is acceptable in Europe and produces revenue, which we desperately need, to deal with the problem.

1.16 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): It is a privilege to serve under your chairmanship, Miss Begg. I thank my hon. Friend the Member for Great Grimsby (Mr. Mitchell) for securing the debate. I recognise, as do the brains of the Department, that the issue gives rise to a great deal of heated feeling. However, he will be aware that this is not a new debate. It has probably raged for at least a decade, with various statements appearing to become fact, when that is not the case.

In the time available, I would like to run through some of the issues, including all of those that my hon. Friend raised, and set out the history. There is no complacency on the part of Ministers in the Department for Transport, the Government or other officials. It is absolutely right that the brains of the Department and of Ministers could come up with a scheme, but it would have to achieve what he wants, provide value for money, bring money in to the Exchequer and make balanced adjustments for UK-registered vehicles, which would have to be charged the levy to which he refers. Complexities arise, which is why I would like at the outset to refer to the history of how we charge for roads. I want to come on to deal with cabotage, the number of accidents, the certificate of professional competence, and foreign driving standards.

Due to the complexities of the subject, and because it gives rise to strong feelings, it is important to look at the history of lorry charging policy development. In 2000, the Government announced plans to consult on a vignette, which some hon. Members may remember as the BRIT

[Paul Clark]

disc. What emerged from that consultation with many interested parties and stakeholders across the board was the fact that we should look at a more sophisticated distance-based scheme rather than a straightforward one-off vignette payment.

Between 2002 and 2005, we investigated proposals for a lorry road-user charge, and considered options based on microwave and satellite technology to track goods vehicles and to impose distance-based charges, such as those in some of the countries to which my hon. Friend referred. However, in 2005, the then Secretary of State for Transport told the House that although a distance-based lorry charging scheme showed potential, it was more sensible on our shores to focus on a broader road-pricing strategy. My hon. Friend will be aware that matters have moved on, and that the current Secretary of State has ruled out national road pricing during the life of the next Parliament.

That process led the Government to revisit alternative and simpler options for charging foreign lorries, and that work culminated in the freight data feasibility study, which considered a wide range of options between 2006 and 2008. It soon became clear that the most promising option in terms of value for money was an electronic vignette system. If that system had come into operation, UK hauliers would have paid a six or 12-month vignette alongside vehicle excise duty. Meanwhile, foreign hauliers would have bought a vignette for a specific vehicle for a specific time. Enforcement for UK hauliers would have been an extension of VED enforcement.

Clearly, we would have had to take steps to work with that scheme, but the freight data feasibility study analysis showed that even that electronic vignette system would not be good value for money. In his 2008 Budget statement, the Chancellor confirmed that because the electronic vignette would have delivered only limited safety, congestion and environmental benefits, the Government decided not to introduce it. However, I emphasise that that does not mean that work cannot be done inside and beyond government on charging foreign vehicles. Work can continue to examine enforcement procedures, including a range of issues raised by my hon. Friend. The work that was done has not been wasted.

Mr. Mitchell: Will the Minister confirm or deny that the problem with an increased charge on British hauliers through the vignette system is that it would have to be eased by a reduction in fuel duty, which is very high in this country? Is it true that without a reduction in fuel duty, the industry did not want the vignette system?

Paul Clark: There were a number of reasons, and value for money was one complexity. Another was managing the necessary reduction for UK-registered vehicles without introducing a heavy bureaucratic and costly exercise that would not achieve in reality what I believe my hon. Friend wants.

The Eurovignette directive, which governs the whole lorry-charging policy throughout the European Union, is complex, and it would be rather dry to read it out, so I am sure that you would not want me to, Miss Begg. However, it stops member states imposing a charge on foreign hauliers without their imposing the same charge on domestic hauliers. It also stops member states imposing a time-based charge of more than €11 a day. There is more flexibility, but it only reflects the cost of the infrastructure when moving to a distance-based charge.

The directive also requires member states to impose tolls and charges in ways that

"cause as little hindrance as possible to the free flow of traffic and avoid any mandatory controls or checks at the Community's internal borders."

We could not stop every truck coming through Dover or Immingham, and ask the drivers to pay up. However, it is true that the directive is being reviewed.

Mr. Mitchell: That would mean more bother in Immingham, where more than 6,000 foreign vehicles come in daily, than in Dover. Is my hon. Friend saying that we cannot impose on foreign vehicles for the period that they are in this country a proportionate share of the heavy tax burden that is imposed on our vehicles?

Paul Clark: I am setting out the complexities of finding a scheme that would be fair, meet my hon. Friend's objectives, not tie us up in litigation, and achieve what we both want without being unfair to our domestic hauliers. The Eurovignette directive is being reviewed, and we are strongly backing amendments that would allow member states to charge more for externalities, and to include, for example, issues such as congestion in the calculation. However, I need not tell my hon. Friend that that work is not easy because, not surprisingly, many member states oppose it. The Spanish presidency has said that it does not want to take that work forward at this stage, but that does not stop us trying to do so.

Mr. Mitchell: Will my hon. Friend give way?

Paul Clark: I will give way once more, but I want to cover some other issues.

Mr. Mitchell: Is my hon. Friend saying that we will not have charging for foreign vehicles until we get general road-user charging? Is it being postponed for ever?

Paul Clark: My hon. Friend knows that a Minister will never rule out anything for ever, but clearly I want to ensure that if we had such a system at some stage—as I said, work on that continues—we would want it to be robust and to provide exactly the objectives that we both want.

I want to deal with some other issues that my hon. Friend raised. On cabotage, he will be aware that stringent changes that come into force on 14 May will limit the number of journeys to three in no more than seven days subsequent to a loaded international delivery coming into this country. Previously, the vehicle coming in might not be loaded, and there could be unlimited jobs during a 30-day period. The new limit is much tighter. In addition—this is significant—the onus is on hauliers to prove that they are operating within the rules, instead of the other way round when the enforcement agency had to prove that hauliers were operating outside those rules.

On the safety of foreign-registered vehicles, in 2008, 1,651 accidents occurred involving foreign registered vehicles, which was 1 per cent. of all accidents recorded in the UK. Of those, 53 per cent. involved good vehicles. However, we are not complacent, and we have given

£24 million extra over three years to the Vehicle and Operator Services Agency to look into high-risk vehicles on international journeys. That has resulted in increased safety. The graduated fixed penalty and deposit scheme is having an effect on finding those who contravene rules and regulations in this country and, when there is no acceptable UK-registered address, allowing us to immobilise those vehicles. We are working closely with the UK Border Agency to agree access to its freight-targeting system for VOSA so that we can identify and highlight companies that are causing concern, not only in the UK—we already have a traffic light system—but foreign visitors.

Road Traffic Accidents (Compensation and Sentencing)

1.30 pm

Mr. Rob Wilson (Reading, East) (Con): It is a pleasure to serve under your chairmanship, Miss Begg. I am also pleased to have secured this important debate on road traffic accident compensation and sentencing. I accept that the title is broad, but I hope to raise several different but interconnected issues on the subject. Specifically, I would like to take the opportunity to discuss two constituency cases, those of Mr. Jim Alston and Mrs. Sandra Hudson, who are both watching the debate today. As is often the case, it is those cases that involve real people and their lives which point to the defects in our man-made and too often process-driven justice system. I believe that both these cases raise serious issues about the general state of sentencing and Government policy.

I will begin with the case of Mr. Robert Hudson, and I will try to deal only with the facts as they are known. Mr. Hudson died of brain injuries after being hit by an unlicensed driver, Mandy Lewis, in December 2008. He was crossing the road close to his home, I believe to post a letter. His wife, Sandra, was nearby. Lewis was a 28-year-old single mother of two, who had come to Reading to meet a man at a local hotel after arranging it via the internet. She drove all the way from Essex to Reading for that night, and was on her way home at approximately 11 am the following morning after stopping at a petrol station. Lewis held only a provisional licence, and was therefore driving without proper insurance. She sped off knowing that she had hit Mr. Hudson, leaving him fatally injured. The judge in the case, Stephen John, said that Lewis had evaded her responsibility and prolonged the agony of the Hudson family.

Mandy Lewis was eventually identified by the police via CCTV footage from the petrol station. However, despite her obvious guilt, she steadfastly refused to answer police questions. In defence of her actions, her counsel highlighted the recent death of her mother from cancer. The judge said:

> "This was an accident; no-one suggests that you intended it to occur, nor that your driving was poor, but once it happened you drove off and spent months trying to get away with it. You knew the pain of the recent loss of your mother but gave no thought to the pain your actions caused to another family."

What so shocked Sandra Hudson is what happened with the sentencing. Mrs. Hudson attended the court with her family only to discover that, after initially protesting her innocence, Lewis pleaded guilty. Mandy Lewis's original sentence of 36 weeks' imprisonment was immediately reduced by a third to just 24 weeks after she changed her plea to guilty. Along with many others in her situation, Mrs. Hudson has had to face the sad reality of the sentencing guidelines, particularly for the new offence of causing death while unlicensed, disqualified or uninsured. The new offence differs from the usual bad or dangerous driving offences in that the culpability arises only from the offender driving a vehicle on a road when, by law, they are not allowed to do so. Because the offence does not require proof of any fault in the standard of driving, the emphasis is on the decision to drive taken by the offender, rather than on the standard of driving. The offence carries a lower

[Mr. Rob Wilson]

maximum penalty of two years' imprisonment. Most people would find it astonishing to hear that somebody without a licence and proper insurance cannot be judged by a court on how safely they were driving following a hit-and-run accident.

I fully appreciate that the courts have complete judicial discretion to pass the sentence that they believe is appropriate in individual cases, after taking into consideration all the circumstances of the offence and the offender. However, not only was the defendant driving illegally in the first place, it is my understanding that leaving the scene of an accident is an additional factor that should add to the sentencing tariff. When both those factors are combined, is 24 weeks in custody a fair punishment for Lewis's actions when taking Robert Hudson's life? Has justice really been served by passing such an extraordinarily low sentence? Lewis even appealed against the 24-week sentence, but thankfully I understand that that appeal was quashed. Mrs. Hudson is left with strong feelings that Mandy Lewis will not serve even those 24 weeks of her sentence. Perhaps the Minister will confirm, either today or later in writing, whether the short 24-week sentence will be served in full.

When Mrs. Hudson inquired about the sentence discount given to Lewis because she entered that guilty plea, the Ministry of Justice informed her:

"The justification for such 'sentence discounts' is that early guilty pleas are beneficial to victims and other witnesses, who no longer need to worry about having to go to court to give evidence."

I think it is safe to argue that the sentence discount in this case was by no means beneficial to the family of Robert Hudson, and it is perhaps disrespectful to imply otherwise. If anything, the statement from the Ministry of Justice merely highlights the impersonal, sausage-machine nature of the justice system, which takes little or no account of individual circumstances.

The current sentencing policy is certainly not proving a deterrent for hit-and-run drivers. In Reading, East we have seen hit-and-run offences nearly double since 1999, and in Berkshire they have risen by almost a third over the past 10 years. At the very least, does not that suggest that sentencing is perhaps overly lenient?

Another issue in this case was the delay in the release of Robert Hudson's body; a delay that meant that his widow could not be allowed to make important funeral arrangements. I understand that the defence has the right to ask for a second post-mortem examination when the police are investigating a fatality case, and I also understand that that is established practice in the courts. However, surely we must be more sensitive to the impact that that has on the victim's family. The unrepentant Ms Lewis originally left Mrs. Hudson's husband to die by the roadside; one can imagine Mrs. Hudson's heartbreak and despair when Lewis added further to the delay to his burial. Under the Coroners and Justice Act 2009, the Secretary of State has powers to make new regulations to govern this area. I sincerely hope that he will use those powers to stop this sort of abuse, which adds considerably to the grief of the family.

I would now like to turn to the case of Bobby Alston. Bobby was tragically killed, aged just 25, in June 2008 when his motorbike smashed into the side of a car driven by a foreign national, Bozhidar Iliev. After initially claiming that his car had suffered a burst tyre, Iliev was found guilty of causing death by dangerous driving in July 2009 and sentenced to a mere 18 months in prison with a three-year driving ban.

Bobby's father, Jim Alston, is obviously extremely upset by the leniency of that sentence. After the sentencing at Reading Crown court in September 2009, he told the press:

"Sentencing for crimes like this is farcical, very unfair and not at all just. The sentence is an insult to Bobby."

I fear that few would disagree with those sentiments.

As the Minister probably knows, Jim Alston is a card-carrying member of the Labour party, and feels that the Government have let him and his family down. It is his view, as told to me, that Government policy on sentencing is out of step with the Labour party's own commitment to be

"tough on crime, tough on the causes of crime."

As the Minister may know, Mr. Alston has been in correspondence with both the Prime Minister and the Justice Secretary on this matter.

We all know that there is complexity in sentencing. The offence of causing death by dangerous driving causes difficulty for the sentencers, let alone anyone else. On one hand, an offence involving a person's death is always serious and understandably leads to calls for severe sentences. On the other hand, an offender convicted of that offence most likely did not deliberately cause death or serious injury. In some cases, the driver may have had a momentary lapse in judgment, but in the worst type of case, he or she may be very much to blame, having driven with complete disregard for the safety of others.

In the case of Iliev, he was doing a U-turn on a dangerous bend. He pleaded not guilty and had to be found guilty at Reading Crown court. Although Jim Alston has had to accept that the judge was simply following the guidelines issued by the Sentencing Guidelines Council, I should be grateful if the Minister took this opportunity to explain, in a more general context, whether she thinks it acceptable to give such low sentences when accidents result in loss of life. One has only to open a newspaper to see other families devastated by the loss of a loved one killed on the roads.

Let me also mention the case of Ryan Batt, who was killed by Timon Douglin while walking on a pavement in Reading's Shinfield road. The killer got a sentence of three years and three months that even the judge said was inadequate. Douglin denied knowing that he had hit Ryan Batt, claiming that he had got out of the car and picked up a damaged bumper without realising that Mr. Batt was dying in the garden of 156 Shinfield road. Of course that was an absolutely absurd defence and was dismissed by the judge at Reading Crown court, who said that there was no way that Douglin would not have known that he had hit his victim. The evidence proved that Mr. Batt's head hit the windscreen in front of the driver of the car before he was propelled into the garden.

The judge made it clear that although the sentence was inadequate, he had to follow guidelines when sentencing. That suggests that even judges feel that the Government sentencing guidelines are inadequate. In this case, the sentence was reviewed by the Attorney-General, as I understand it, due to popular outrage, but it was still left unchanged.

In preparing for the debate, I have spent time examining the sentencing guidelines, and they are a quagmire. At the most basic level, they assess how valuable a life is against assessment criteria with aggravating and mitigating factors. It is cold, impersonal and extremely complex. I can understand why judges feel exasperated by the complexity, but it is utterly unfathomable to the ordinary man and woman. On no level can the sentences handed out to Iliev and Mandy Lewis be considered fair, appropriate or just.

I also find it absurd that causing death while unlicensed carries a lesser penalty, with the emphasis on the decision to drive by the offender rather than the standard of driving. Surely one is unlicensed for a reason. Why is it that because such incidents happened on the road, such reckless individuals do not pay the full price for their misdemeanours and crimes? It is not hard to understand why in such cases families feel so blatantly wronged by the criminal justice system in this country.

Due to my involvement in these cases, it is my understanding that following a number of extremely serious cases put before the MOJ over the past year, it has announced its intention to extend the minimum sentence for dangerous driving to five years when there is the appropriate legislative opportunity. I sincerely hope, for the sake of all families that are living through such tragic circumstances, that stiffer sentences come sooner rather than later, although with the sentencing discounts available to the guilty, it is hard to see what the overall impact will eventually be.

Continuing my comments about the case of Bobby Alston, I shall now say a few words about the compensation that families are eligible to receive following the death of a loved one. Jim Alston works as a private hire driver in west Berkshire and part time for a security company. Time is money in those occupations—if people are not on the road, they cannot gain an income. With the unexpected tragedy of his son's death and still grieving, Mr. Alston set about arranging a funeral and memorial service and attending the court proceedings. That is an expensive business, and insurance goes only part of the way towards covering the costs. The word "compensation" in this case should mean covering costs. Jim Alston spent more than £9,000 and received insurance for just under £5,000. That does not even begin to count his lost income from his employment.

I believe that Iliev should have had to cover any difference in costs, yet road traffic accidents—RTAs, as they are called—are specifically excluded from the Powers of Criminal Courts (Sentencing) Act 2000, which gives a judge the authority to order that compensation, including funeral expenses, be paid by a convicted criminal. Section 130 states that a court may make an order requiring the person convicted of an offence to

"make payments for funeral expenses or bereavement in respect of a death resulting from any such offence"

this is the key part—

"other than a death due to an accident arising out of the presence of a motor vehicle on a road".

Because the criminal courts cannot help Mr. Alston, his option would be to fight a civil case, but he has been informed that that costs about £2,000 and it would hardly be worth it to chase £4,000. I think that the Minister should take the opportunity to review this system. A simple amendment to the Act could allow RTAs to be included in criminals covering the costs of bereaved families—for example, where insurance does not. If the Minister is not prepared to commit to that today, we need to understand why. I hope that the Government are on the side of the families affected, rather than the criminals.

The Government often point families affected by RTAs in the direction of the charity Brake. I place on the record my admiration and support for the important work that that road safety charity does, but I worry that the Government are using a charity to obscure their wider obligations to bereaved families.

The complexity of the issues involved means in this case that Mr. Alston has yet to receive the closure that he and his family deserve. After many months of correspondence on the matter and a great deal of frustration on Mr Alston's part, the Secretary of State has finally agreed to meet Mr Alston and me tomorrow. I had hoped to be able to report on the outcome of that meeting during today's debate. However, we must be patient and wait with anticipation for what he has to say at tomorrow's meeting. Needless to say, I shall be supporting Jim Alston and repeating what I have said today, but I will listen with interest to what the Secretary of State has to say about increasing the sentencing tariff and amending the legislation on compensation. In the meantime, I should be grateful if the Minister responded to the particular points that I have raised during the debate today.

1.48 pm

The Parliamentary Under-Secretary of State for Justice (Claire Ward): First, I congratulate the hon. Member for Reading, East (Mr. Wilson) on securing the debate. I realise that it is a very important debate for his constituents. Given the presence of his constituents today, I should like to extend my sincere sympathy to the Hudson family and to the Alston family for their loss. Any death or serious injury that occurs as a result of a road traffic accident is a tragedy, and the impact on the families of victims is immeasurable. The hon. Gentleman tried hard to give some examples of the impact on his constituents and their families.

Sadly, sentencing cannot bring anyone back. However, this is also about getting justice for the families and a sense of closure. Sentencing for road traffic offences where a fatal accident occurs is a very difficult exercise, because with road traffic accidents—the hon. Gentleman referred to this—there can be a huge difference between the harm done and the level of blameworthiness of the driver. I hope that it will assist if I set out what the law says about sentencing in such cases and describe what has been done through the statutory framework. I will also refer to the compensation issues that the hon. Gentleman raised.

The hon. Gentleman referred to the specific circumstances in his constituents' cases, but I hope that he and his constituents will understand that I cannot comment on individual sentencing decisions, because the courts are independent of the Government. It would not be appropriate, on the basis of the information that the hon. Gentleman has presented, for me to comment specifically on the details of those cases.

Parliament's role is to ensure that there is an appropriate framework of offences and penalties. In recent years, we have enacted a number of measures designed to deal

[Claire Ward]

more effectively with those whose driving puts others at serious risk. As the hon. Gentleman said, we have introduced the new offences of causing death by careless driving and causing death while driving unlicensed or uninsured. Those offences carry maximum penalties of five years' and two years' imprisonment respectively. We have also increased the maximum penalty for serious driving offences, including causing death by dangerous driving and causing death by careless driving while under the influence of drink or drugs, from 10 to 14 years' imprisonment.

However, there is always more to do. Dangerous driving is still too prevalent, and we should not underestimate the devastating effect that bad driving can have on people's lives. We have listened to those who have campaigned for an increase in the maximum penalty for dangerous driving. When I first took up my post, I met the family of Cerys Edwards, a young child who had received very serious, nearly fatal injuries as a result of the actions of a dangerous driver. The family had been campaigning hard for a change in the legislation on dangerous driving. As a result of listening to those representations, we have announced that we intend to increase the maximum penalty for dangerous driving from two years' to five years' imprisonment. That will, of course, require primary legislation, and we will look to include an appropriate provision in a suitable Bill at the earliest possible opportunity in the parliamentary timetable.

Mr. Wilson: One thing that concerns my constituents is that when the Minister talks about a maximum sentence, it does not mean much, because someone pleading guilty automatically gets a third of the sentence off. Will the Minister make it clear to my constituents what a minimum sentence means?

Claire Ward: In many cases, these are minimum sentences rather than maximum sentences. The minimum sentence essentially becomes a starting point for the court to consider. As the hon. Gentleman said, the court must then look at the aggravating circumstances and any mitigating circumstances. One factor that a court will take into account in sentencing is whether the defendant has pleaded guilty and, if they have, at what stage they did so. There is a sliding scale of reductions. The Sentencing Guidelines Council has issued guidance to the courts on the level of discount to be applied. The sliding scale effectively means that the earlier the plea is changed to one of guilty, the greater the discount that the defendant should get. That is obviously to encourage defendants to come forward and enter a guilty plea, where it is appropriate for them to do so. That is intended to save victims and their families the ordeal of a trial and to reduce the cost to the justice system.

Mr. Wilson: Will the Minister clarify what that means in practical terms in relation to a two-year minimum sentence? Mitigating circumstances may have to be taken into account, which could mean a reduction in the minimum sentence. Furthermore, if someone pleads guilty, there will also be a third off. In fact, therefore, the two-year minimum sentence is not a minimum sentence at all, is it?

Claire Ward: That depends on the court's sentencing and on whether it has taken into account the period for which a guilty plea has stood and how long the discount will be. The court will take such things into account before determining the sentence. One of the most important things about the Sentencing Guidelines Council is that it does not operate in a vacuum or in isolation; it consults the public to review the guidelines that it issues to the courts. The hon. Gentleman will be aware that the Coroners and Justice Act 2009 is also due to replace the Sentencing Guidelines Council with the Sentencing Council, one of whose duties will be to have a much greater regard to the impact that sentences will have on victims and their families.

Sentencing guidelines must, of course, provide detailed guidance to courts on the level of sentencing that they should consider in respect of individual offences. We established the Sentencing Guidelines Council in the Criminal Justice Act 2003 to promote consistency in sentencing. All courts must have regard to the council's guidelines. As I said, the most important change in the 2009 Act for many victims will be the requirement on the Sentencing Council to have regard to the impact that sentencing may have on victims.

None of those points about the Sentencing Council can, however, alter the fact that road traffic cases can be particularly difficult for the courts. That is because it is not always the worst transgression by a driver that has the most tragic consequences. Sometimes the consequences of a collision may be entirely disproportionate to the culpability of the offender. A relatively minor misdemeanour by a driver may have tragic consequences, whereas thoroughly reckless behaviour on the road may fortuitously result in little, if any, harm. The law therefore seeks to punish those who cause death or injury on the road in a way that is appropriate to the degree of blameworthiness on the part of the driver. Ultimately, it is for the prosecuting authorities to decide on the appropriate charge in each individual case and for the courts to set the sentence they believe to be appropriate in all the circumstances.

The hon. Gentleman also raised the issue of compensation in road traffic accidents. He is right that the criminal injuries compensation scheme does not compensate for bereavement caused as a result of culpable road traffic accidents. That is because the scheme's remit was never designed to cover such cases. The purpose of the CICS is to provide compensation to blameless persons who have sustained criminal injury. Overwhelmingly, it provides support to victims of crimes of violence. The scheme states that a personal injury is not a criminal injury where the injury is attributable to the use of a vehicle, except where the vehicle was used so as deliberately to inflict, or attempt to inflict, injury on any person.

It is also true that the courts do not generally have powers to make compensation orders in respect of road traffic accidents. Compensation orders were first introduced in 1972 and have been an important sentencing option for the courts. However, compensation in criminal cases is not provided primarily as a means of making good the losses of the victim, but as an element in the overall punishment of the offender and to provide a degree of financial recompense to the victim. A compensation order is a sentence of the court, like a fine, albeit one

that brings home to the offender the impact of their offence against the victim and which provides at least some recompense.

Road traffic accidents, however, are generally excluded by statute from the scope of compensation orders. The courts can make an order in respect of injury or loss following a road traffic accident only if the loss involves damage to the victim's property when it was not in their possession or if the offender was uninsured and no compensation is payable under any arrangements to which the Secretary of State is a party. In practice, the Crown Prosecution Service will not ask for a compensation order if the Motor Insurers Bureau will meet the claim. The MIB is a non-profit-making organisation set up by the motor insurance industry to compensate victims of motor accidents that involve uninsured and untraced drivers. It is a required scheme under European regulations.

That statutory exclusion has existed since 1972. It probably arises from a need to make it clear that third-party insurance is the first port of call for any compensation claim arising from a motor accident and from the fact that many road traffic accidents involve complex quantum and liability issues, which would not necessarily have been settled by parallel criminal proceedings.

2 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Wednesday 24 February 2010

[MR. GRAHAM BRADY *in the Chair*]

Workplace Temperatures

Motion made, and Question proposed, That the sitting be now adjourned.—*(Steve McCabe.)*

9.30 am

John McDonnell (Hayes and Harlington) (Lab): This Adjournment debate is about maximum workplace temperatures. I shall explain my interest in the subject.

Over the past three decades, there have been a number of bakeries and confectionery manufacturers in my constituency, some of which have unfortunately gone into decline as a result of past recessions. Nevertheless, there remains an element of that sector of industry in my constituency. I have taken an interest in health and safety matters for the work force in that sector in my constituency for a number of years. I am also chair of the Bakers, Food and Allied Workers Union parliamentary group, a cross-party group of about 30 MPs formed a number of years ago that considers problems in the industry in which the bakers union has members.

Health and safety is a key factor for the union, as it is to a number of the MPs in the parliamentary group. In recent years, we have been working on the matter of maximum working temperatures. That is a critical factor for those working in the bakery sector, but we have made links with other trade unions through the TUC; for them, too, it is a key issue. That is the genesis for today's debate.

I shall explain our concerns about the effects of heat in the working environment. After a long period of campaigning, we have at last seen an increased awakening in the House, within Government and in society to the dangers of working in high temperatures. There is now an acceptance that we may have underestimated the short and long-term psychological and physical effects of what used to be described as non-major health risks in the working environment. We now understand a lot more about the effects of high temperatures on people at work.

Some attempts have been made at giving guidance to employers more generally on the range of temperatures in which it is comfortable to work. The Chartered Institution of Building Services Engineers recommends a range of temperatures; for example, it suggests 13° C for heavy work in factories and 16° C for light work, about 18° C for hospital wards and shops and 20° C for offices and dining rooms.

Those are temperatures in which people will feel comfortable when working, but research has shown that when the recommended temperature range of between 16° C and 24° C is exceeded it has a range of implications for those working in such environments. If people get hot, they may suffer dizziness, fainting or even heat cramps. In very hot conditions, the blood temperature may rise; if it rises above a certain level, there is a risk of heatstroke or collapse. In some instances it can prove fatal. Even if there is recovery, evidence shows that irreparable organ damage can result.

Kelvin Hopkins (Luton, North) (Lab): In France, it is the norm for employers to provide fresh drinking water. Even that would be an advance here. Even when suffering from heat and perspiration, people are not always aware that they are dehydrated, or of the damage they may be doing to themselves.

John McDonnell: My hon. Friend makes a valuable point. The reason for this debate is to secure clarity in our regulations. There is greater clarity in other parts of Europe, with maximum ranges of temperatures being set for particular industries, but we do not have that here.

I shall explain the current regime and its weaknesses. We should be clear about what we seek. It is not about setting a maximum temperature above which an industrial or commercial process should end. It is about setting a temperature above which the employer should take action to overcome the problem. My hon. Friend the Member for Luton, North (Kelvin Hopkins) gave a good example, which was the supply of water. Ventilation is another.

I have raised the matter before, but a cretin—I can only describe him thus—attacked me in the media, saying that we were trying to prevent people from working in the sun or in hot conditions. Far from it: we were trying to keep people at work, but to ensure that sufficient compensatory action was taken to prevent them becoming too hot and suffering health problems as a result.

David Simpson (Upper Bann) (DUP): I congratulate the hon. Gentleman on obtaining this important debate. I declare an interest in the agri-food sector.

I turn to the other extreme—the contrast of cold conditions. Because of European legislation, employers could face litigation when it comes to cold temperatures as employees could have difficulty with their joints as the years roll on. That, too, is a problem, and employers may need protection on that side of things.

John McDonnell: It is interesting to note that a minimum temperature is set. When I first left school, I worked for Birds Eye on the hamburger line—I have not eaten one since. In those cold conditions, action was taken if the temperature fell, cladding was given and people were taken out of those conditions to enable them to warm themselves. It is about ensuring an appropriate trigger mechanism that protects workers and employers and makes clear what action should be taken and at what level. We do not have that for maximum temperatures.

I have touched on the wider health impacts, but it is worth trying to get something more on the record. The effects of heat were not sufficiently acknowledged in previous debates on the matter, nor by the Health and Safety Executive. The effects include fatigue, extra strain on the heart and lungs, and the dizziness, fainting and heat cramps due to loss of water and salt that I mentioned earlier. Hot, dry air also increases the risk of eye and throat infections and breathing problems such as asthma and rhinitis.

Even what we would call medium temperatures can lead, as we know in this place, to loss of concentration and increased tiredness, which means that workers may be at greater risk. Those indirect effects can lead to an increased likelihood of accidents, as can slippery, sweaty

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palms; and they also lead to an increase in discomfort. Those are the effects that have been recorded. We have an increased understanding of those effects in the short term, but insufficient research has been undertaken into the long-term effects of working in a hot environment and the daily exposure to high temperatures. One plea that I make is for the Government to give the HSE some direction in order to ensure a much greater element of research into the long-term effects of working in hot conditions.

Mr. Gregory Campbell (East Londonderry) (DUP): Does the hon. Gentleman agree that the situation could be clarified somewhat if the Government gave the HSE precise directions? At the moment, there seems to be a lack of direction. If that materialised, we could move forward.

John McDonnell: I fully agree with the hon. Gentleman. I hope that what results from today's debate is an acknowledgement by the Government that that is the route that needs to be taken. We have been down all the advisory routes, but none of them seems to have worked.

The extent of the problem is massive and in the past, it was not treated sufficiently seriously. The various trade union groups, particularly the bakers union, have surveyed workers to discover how they feel about the problem. Let me give some examples of the surveys we have undertaken. In 2008, high temperatures were cited as a major hazard by one in five safety representatives in an extensive TUC survey. Interestingly, the survey cut across sectors—central and local government, education and manufacturing. One of the big issues was post-war buildings with a high glass content. The president of the Bakers, Food and Allied Workers Union, Ronnie Draper, who has joined us in the gallery today, said:

"The lack of a solid legal framework makes it difficult for us, as a trade union, to protect our members and leads to vast inconsistencies across the country."

He told us about two BFAWU members who were working for the same large retailer in different locations. Both complained about the workplace heat, but the management's control measures were totally different in each case; one was acceptable and one was not. Therefore, even within the same company there are different practices on control measures. As the hon. Member for East Londonderry (Mr. Campbell) said, that is down to a lack of clarity.

A whole range of responses came out of the HSE's 2010 survey. Let me quote from one bakers union member, who said that

"staff have no control because we can't open windows. Also if we try to get fans or heaters more often than not we are told no because of wires being across the floor".

Another member pointed out:

"We have juice in the summer, but it has to be a 'very' high temperature before we get it."

One of the consistent themes that came out of the survey was the inadequacy of the fan units even when they were delivered by the employers themselves.

There was just one survey in Northern Ireland, which revealed that workers at a large food manufacturer were regularly working in temperatures ranging from 28° C to 35.9° C, and that is an intolerable heat environment in which to work. I pay tribute to other unions with which we have worked. The Union of Shop, Distributive and Allied Workers undertook a similar survey in 2009 and had more than 1,100 responses. Some 61 per cent. of the staff working in the various workplaces, shops, offices and warehouses said that high temperatures are a continual problem, and 87 per cent. said they had been complaining about high temperatures for over a year but with little or no response from management. Only 10 per cent. reported that management had taken appropriate steps to alleviate the problems, such as providing fans and cool drinks.

In that survey, 72 per cent. reported that thermometers were not available in the workplace even to monitor the temperature, which is a clear breach of health and safety regulations.

Kelvin Hopkins: Does that simply not indicate that employers do not want their employees to know what the temperature is because they might complain?

John McDonnell: As always in such situations, it indicates that there are good and bad employers, and what we have to do is legislate for the bad employers. We have examples of employers taking the appropriate action, and others of employers refusing to undertake their responsibilities even under the existing regulations.

In the survey, we asked union members to describe the problems they were experiencing. They cited fatigue, feeling sweaty and irritable, headaches, dizziness and nausea, which is not acceptable in a modern working environment. We linked up with other unions in other sectors. A trade union survey among teachers found similar problems. Again, members talked about headaches, particularly when they were based in modern buildings with a high glass content and when summer temperatures rose to 32° C.

We have also had responses from telephone exchanges and call centres. Again, recorded temperatures ranged between 31° C to 36° C. In some places, the average temperature was 28.64° C, which is well beyond what would be considered a normal, comfortable working environment. In cases where the relevant unions sought to gain improvements, there was a failure in back-up, which was partly to do with the HSE or the local authority. Those improvements that had been introduced had taken years to achieve.

The problems in this area relate to the current regulations. The Workplace (Health, Safety and Welfare) Regulations 1992 laid down particular requirements for most aspects of the work environment, but on temperatures they are confused and feeble. Regulation 7 specifically deals with the temperature in indoor places and states:

"During working hours, the temperature in all workplaces inside buildings shall be reasonable."

Then a code of practice sets out what is deemed reasonable:

"The temperature in workrooms should provide reasonable comfort without the need for special clothing. Where such a temperature is impractical because of hot or cold processes, all reasonable steps should be taken to achieve a temperature which is as close as possible to comfortable."

It continues:

"The temperature in workrooms should normally be at least 16 degrees Celsius"

so we have a minimum temperature of sorts—

"unless much of the work involves severe physical effort in which case the temperature should be at least 13 degrees Celsius".

It does not specify a maximum temperature. Instead, what we have is a series of thresholds, which is extraordinary. It says that the thresholds are set on the basis of reasonableness, so in air-conditioned offices, it is not reasonable if more than 10 per cent. of employees are complaining of being too hot or cold.

Kelvin Hopkins: Is it not the case that in food manufacturing in particular, employees have to wear special protective clothing and cannot strip off to the waist and cool down in that way?

John McDonnell: Exactly, and that is why we need greater clarity about what action needs to be taken in such a case. This vagueness of relying upon the subjective judgment of percentages of workers is extraordinary and something that we do not find in other fields. In air-conditioned offices, 10 per cent. of employees have to complain before action is taken. In naturally ventilated offices, more than 50 per cent. of employees need to complain. In retail businesses, warehouses, factories and other indoor environments that may not have air conditioning, some 20 per cent. of employees have to complain of being too hot or too cold. Only then are the workers entitled to request that their employer take action, and only then does the employer have a duty to respond.

Dr. William McCrea (South Antrim) (DUP): The burden of the hon. Gentleman's presentation is a call for clarity. Does he not acknowledge, however, that we must strike a balance between protecting the workers, which is of vital importance, and protecting their employment? Quite often when it comes to legislation, the pendulum can swing too far, and we must be very careful in the preparation of that legislation.

John McDonnell: I fully agree that it is about a reasonable approach. We need to have a reasonable interpretation but with long-stops. At the moment, we have a long-stop at the minimum but not at the maximum. That is as much to protect the employer as the employee. What we find is that good employers will do their best, and unscrupulous employers will undermine the whole sector.

Elsewhere in Europe, maximum temperatures are set. In Germany, a maximum of 26° C is the norm, but the guidelines state that if the outside temperature is higher, there is an element of flexibility. At least a norm is set which can be referred to. Similarly, in France there is greater clarity. In Spain, specified temperatures range between 17° C and 27° C. Again, at least there is a benchmarking exercise that can be done within a particular sector. Let me repeat: this is not about our wanting to say, "We have reached a certain temperature—we have to shut down the shop or the process." It is about saying, "We have reached a certain temperature, and now it is reasonable behaviour to introduce measures which will enable some form of discomfort to be eradicated." That is usually by ventilation and increased water.

Mr. David Crausby (Bolton, North-East) (Lab): Is that not the most important point? Legislation should solve the problem rather than create trouble. The unions are leading the call for a change in legislation, but it is those people who are not organised or protected by the trade unions who are most at risk. Unions in organised places can create an atmosphere of complaint, but in places in which the union is not strong, workers have to suffer what is directed at them.

John McDonnell: Clear evidence is emerging about the disparities between a unionised shop and a non-unionised one. In most employment situations—we have all been there—it is also better to have a clarity of relationship. Then the union can relate to management and say, "We've got a problem here and we will jointly resolve that problem." However, there is a real difficulty if there is no union organisation to do that. In that situation, therefore, the only fall-back is clear regulation and law. If the legislation is not clear, the individual is vulnerable to exploitation and they are unable to exercise their particular protections.

There are real problems because we do not have clarity on a maximum temperature and those problems have emerged in this debate. There are problems about just regulating the overall workplace itself. What is happening at the moment is that, on an ad hoc basis, there are interventions by both unions and management to resolve matters, but in other areas there are no interventions and as a result employees are having to endure working in what I believe are unsafe and unhealthy working conditions.

I tried to gain information about how the existing regulations are working, so I put down questions about enforcement and monitoring. I asked the Secretary of State for Work and Pensions

"how many instances of stress due to exposure to high temperatures in the workplace were reported to the Health and Safety Executive".

I chose the years from 2005 to 2008 to ask about, to gain information on up-to-date records from the last four or five years. The response that I received from my hon. Friend the Minister who is here today was:

"Instances of heat stress, as a medical condition, may be included in injuries reported under the Reporting of Injuries Disease and Dangerous Occurrences Regulations 1995 but it is not possible to identify them separately."

At the moment, therefore, the HSE is not even monitoring the separate issue of instances of heat stress.

I then thought that I would at least see whether there are any examples of prosecutions, because we know from the surveys that have been carried out that high workplace temperatures are a serious issue for many workers. We have also seen from the surveys that, in some instances, workers have failed to induce action from their employers to resolve these problems. Therefore, what is the fall-back? Well, the fall-back is the HSE prosecuting employers who fail to meet the standards set out in the regulations.

So I asked how many prosecutions there had been by the HSE in cases of failure to manage high temperatures in the workplace and again I asked about the years from 2005 to 2008. My hon. Friend the Minister reported:

"From 1 April 2004 to 31 March 2008, the Health and Safety Executive took no prosecutions as a result of employers' failure to manage high temperatures in the workplace.

Although outside the period specified in the question"

that is more recently—

"legal proceedings have recently been initiated by HSE in relation to a workplace fatality in 2006-07 in which heat stress was implicated."—[*Official Report*, 23 February 2009; Vol. 488, c. 73-74W.]

[John McDonnell]

Let me just remind Members that, from the surveys that were undertaken by the bakers union, the TUC and other unions, we have report after report of heat stress and its serious effects on workers' health. Yet we now discover that the HSE is not monitoring heat stress and there has not been a single prosecution during the period that I asked about, from 2005 to 2008, and only now has one prosecution been commenced.

Kelvin Hopkins: I understand my hon. Friend's concern about the HSE entirely. Without a legal maximum temperature, however, the HSE is working on the basis of what is reasonable, and is it not more difficult to prosecute against something that is unreasonable than it is to prosecute against an absolute, such as a legal maximum temperature?

John McDonnell: That is exactly what has resulted in this debate. We know from our surveys that there is a problem out there. At the same time, however, we now know that the HSE is not monitoring it in any detail and we also know that it is not being addressed by legal action. Either our surveys are all wrong and people are working in ideal conditions across every sector of industry, or the regulations are wrong because they are not being implemented or cannot be implemented because of their vagueness and at times—I must say—their vacuousness.

So what has come as a result of all the work that we—the bakers union and other unions, and the trade union group in Parliament—have put in, and as a result of the responses that we have had to our parliamentary questions? Well, what has happened is a major campaign in the last few years, which has taken up the pace during the last year in particular. I pay tribute to the work that has been undertaken by the bakers union itself.

In the last year, the trade union group in Parliament wrote to my hon. Friend Lord McKenzie of Luton, who I must say has been nothing but helpful on this issue; he has made himself available for meeting after meeting to try to help to resolve this problem. My hon. Friend the Member for Luton, North placed an early-day motion before Parliament on a couple of occasions, which received 42 signatures initially and that number is building. We then wrote to my right hon. Friend the Member for Stalybridge and Hyde (James Purnell), the former Secretary of State for Work and Pensions. I see that he is now retiring from Parliament, which I regret because he was very helpful on this issue. He wrote to the HSE and asked it to review the current legislation and guidance.

That review was undertaken and co-ordinated by a Mr. Ray Kemp; indeed he is Professor Ray Kemp. May I say that some concerns have been raised about the nature of that review? I would welcome some response from the HSE about how it appointed the individual who undertook that review. I just mention this point; I do not want to undermine people's reputations in any way, or anything like that. However, I am anxious. I saw on Mr. Kemp's website that he advertises himself as someone who

"has also directed large scale EIAs"—

environmental impact assessments—

"and public consultations in support of planning applications".

Those planning applications have included

"oil and gas processing plant, waste disposal facilities, incinerators, airport expansion".

I have a slight anxiety about someone who advertises themselves as being "in support of" planning applications rather than as someone who just independently assesses those applications. However, I will leave that point for other Members to consider and I would welcome a response from the HSE about its appointment procedures.

Anyway, what came out of that review was basically a number of stakeholder meetings. What was interesting about those stakeholder meetings, involving both sides of industry, was that although no consensus was reached, a majority of those stakeholders—60 per cent. of them—concurred with the view that the current regulations were confused and not satisfactory, and that there was a need for change. All of us have been in those situations and it is difficult, particularly when there are both sides of industry there, to get absolute consensus. However, to have a majority of 60 per cent. saying that something needs to be done and that there needs to be clarity about the new processes and the new regulations is quite significant, I think.

Unfortunately, the review came out with—well, I give Mr. Kemp's conclusions:

"On balance, it is suggested that the workplace temperatures issue is not one that justifies active regulatory intervention but rather improved joint working between all parties to the issue—government, Trades Unions and Employers. This best reflects the new HSE Strategy for the Health & Safety of Great Britain".

As a minimum, he recommends that amendments to the guidance

"should be pursued through joint working and tripartite discussions".

Unfortunately, that is where we have been for a number of years and it is a system that has not worked. I find that the arguments that Mr. Kemp seems to have put about are not just unconvincing but almost specious in part.

Kelvin Hopkins: I am afraid to say that that is so typical of successive British Governments. Time and again, they seek some kind of reasonable, voluntary conclusion, which, in the end, does not work and they have to legislate. There is a range of matters, including drink-driving and seat belts in cars, on which Governments have first sought a voluntary arrangement, and when that did not work, they have put forward a statutory proposal.

John McDonnell: I fully agree and I will come on to that point. I think that that approach reflects a climate of opinion that has developed in Government and across parties too at the moment.

Let me just briefly go through the arguments that Mr. Kemp has put forward. He argues that thermal comfort depends on a number of factors and that setting an upper limit would be counter-productive from a health and safety perspective. I fail to understand that argument. This is not an issue where we are saying that there must be only a maximum temperature and nothing else. What we are saying is that there must be a maximum temperature that exists alongside a series of other measures that recognise the differentiations that exist in different sectors and also different individuals' perception of thermal comfort.

Mr. Kemp also said that scientific evidence does not point to a value for a maximum recommended temperature. Well, it is true that people feel heat differently, but they also feel pain and cold differently, and yet in those cases we have been able to put into practice maximum ranges that no employer should allow their work force to be vulnerable to. Again, I find it extremely difficult to accept that argument. It gives the employer maximum discretion but leaves the employee largely unprotected.

Another argument is that

"there is no evidence that thermal discomfort is a significant workplace hazard."

Our surveys demonstrate that it is. The fact that the HSE is not recording incidents properly and not prosecuting reflects weaknesses within the HSE system. Every other survey undertaken has indicated that thermal discomfort is a significant workplace hazard that needs to be addressed.

Another argument, which has been mentioned in this debate, is that the introduction of a maximum temperature would be costly to employers. The HSE and the Department are engaging in an impact assessment to consider the costs of introducing a maximum temperature associated with measures necessary to produce thermal comfort in the workplace. That argument has been used for decades to prevent developments in health and safety.

I want to speak on behalf of the good employers. At the moment, bad employers are making good employers vulnerable. Bad employers can inflict thermal discomfort and risk on their work force by cutting costs, which also allows them to undercut good employers in the pricing of their products. That has always been the case with issues of health and safety. Regulation tries to create a level playing field for everybody.

However, there are costs involved at the moment for all of us as we pay into the national health service for the treatment of people enduring and suffering from the lack of a maximum temperature. They are vulnerable to working in unsafe environments, and it has an impact on their health.

The report failed to come to grips with the reality of the working environment endured by members of the bakers union and other workers across a range of sectors. My hon. Friend the Member for Luton, North hit on one reason for the resistance to a maximum temperature. We must understand it in the context of what has happened in health and safety over the past 20 years or so. There has been a stepping back from establishing clarity in the regulatory regime for the workplace. We have moved towards risk assessments, which is setting us back decades.

The Secretary of State for Work and Pensions recently stated that

"the UK has one of the best health and safety records in the world".

That is not the case any more. I do not like to say it, but it is true. In the global health and safety risk index 2009, the UK came 30th out of the 176 countries listed. Among OECD nations, we are ranked 20th. The true picture is that in many instances we are falling back rather than going forward.

Professor Steve Tombs and Dr. David Whyte have identified a lack of reporting. In some instances, as many as 80 per cent. of accidents and even fatalities at work related to the working environment are not reported. Andrew Watterson from the university of Stirling has argued that due to a lack of publication even of fatalities and their links to ill health, the number of people who die from occupational diseases is dramatically underestimated, as is the impact—particularly the long-term impact—of the working environment on health.

The issue also relates to what has happened to the HSE itself. Cuts have been made to the HSE's overall expenditure, resulting in a fall in prosecutions. The overall picture since 1997-98 is that HSE prosecutions have declined by 32 per cent. and local authority prosecutions on health and safety grounds have declined by 34 per cent.

Inspections by the field operations directorate, the HSE's largest inspecting section, have decreased by 26 per cent. and regulatory contacts fell by 19 per cent. between 2003 and 2004-05, the latest date for which I have figures. HSE investigations of major injuries fell by 43 per cent. between 2001-02 and 2006-07. In 2006-07, the HSE investigated only one third as many three-day injuries as in 2001-02. Not only are the regulations not clear, inspections, prosecutions and regulatory visits have declined dramatically.

Kelvin Hopkins: Does that not reflect the culture of deregulation, which has caused so much damage to the economy and other aspects of our lives? It is just another facet of deregulation, which is wholly misguided.

Mr. Graham Brady (in the Chair): Order. Mr. McDonnell, I hope that you will not go too far on the wider question of deregulation.

John McDonnell: Certainly not. I hope to sum up fairly quickly, Mr. Brady. At the beginning of the debate, we were on our own, but we have now been joined by a number of interested Members. I am pleased. I could make all sorts of puns about turning up the heat on me, but I will move on.

The lack of inspections, prosecutions and visits reflects a cut in HSE resources, which the Government must address. As my hon. Friend said, it also reflects the changing climate of opinion in Government and across all political parties. I fear some of the statements made in recent years. I warn the Opposition as well, having heard some of their statements on what they would do to deregulate if they came to power, that it would undermine the health and safety regime even further, in terms of ensuring successful investigation and prosecution in the work environment, to undermine the HSE's resources and the direction that it is given.

I urge the Government to reconsider the issue, find a new way forward and give new impetus to the protection of workers from exposure to thermal discomfort. First, it would be useful for the Government to acknowledge the seriousness of the problem that we face and the need for action. In the past years, the Government have come some way on the issue. Ministerial meetings, the commissioning of a review by the HSE and the impact assessment have gone some way towards improvement, but further statements must be made to reassure people in such working environments that the Government take the issue seriously.

Secondly, we must recognise that consensus will not be achieved. It is not achievable across the stakeholder groups. However, a 60 per cent. majority agree that action must be taken and change is needed, and the Government must move forward on that basis.

[John McDonnell]

Thirdly, the Government need to make a statement that the HSE needs to be more proactive in its approach. I will explain briefly what I think the HSE could do. It could investigate the number of times that it has been approached with complaints about workplace heat and the number of other reported incidents in which heat could be a factor. It could also perform on-site investigations of a selection of workplaces across all sectors immediately to give us fresh evidence of the scale of the problem that we face. Finally, it could investigate the wider social implications and long-term impact of daily exposure to heat.

After doing those things within a limited time scale—for example, six months—the Government could then introduce proposals for new regulations setting a maximum temperature and demonstrating clarity for employers and employees about the temperatures in which work should be done. Measures should then be introduced to ensure that health and safety is not put at risk.

We can turn the issue around with good will in the Government's response today. Many people are looking to the Government to take measures to protect them in their work environment. They have waited too long for clarity and decisiveness of Government action on the issue.

10.9 am

Kelvin Hopkins (Luton, North) (Lab): It is a pleasure to speak under your chairmanship, Mr. Brady. I congratulate my hon. Friend the Member for Hayes and Harlington (John McDonnell) on his superb speech, in which he said just about everything that there is to say. It was a veritable tour de force. In my few words, I will add my support for what he said.

With my hon. Friend, I attended the meeting with Lord McKenzie of Luton, who is not just a noble Friend but a long-term one, as we both live in Luton and have known each other for 35 years. The meeting was enjoyable. As my hon. Friend said, I tabled the first early-day motion on this subject, which received 42 signatures, showing the support for this matter among hon. Members.

In the 1970s, I worked in the TUC's economic department during the period of the social contract, part of the purpose of which was to introduce the Health and Safety at Work etc. Act 1974. We saw that as a beginning from which we would move forward— not a point that would be chipped away over subsequent decades. Perhaps we should revisit the principle of using the 1974 Act as a base for making conditions better for working people over the decades.

My hon. Friend talked about temperatures. I asked colleagues from the bakers union about typical temperatures in bakery workplaces. Sometimes there are temperatures of 38.6° C, or 102° F, and they can even be in excess of 40° C, which in Fahrenheit—I will not say in English money, because Fahrenheit is not English—is 104°. At least if one is working outside in such temperatures, one has the breeze and shade, but in the enclosed space of a bakery, they are simply not tolerable.

My hon. Friend made the point that people feel heat differently. Sometimes when I have an overcoat on, other people are walking around in T-shirts and clearly do not feel the cold in the way that I do. I can tolerate a little heat, but I cannot tolerate cold. Other people are the other way round. In a group of half a dozen bakery workers, it is possible that one would not be able to tolerate heat. The others might say, "What's the problem, Jim? We're coping but you're not." We have to accommodate everyone and should have a temperature that is reasonable and acceptable for those who find heat more difficult to contend with, not just the average person or the tough guy who can get by in hot circumstances. We must consider human variation.

I have a particular interest in this debate, because my grandfather was a bakery worker and my great-grandfather was the village baker in Blaby in the 1880s. It is a Hopkins family tradition, although I have long since lost any connection to baking. I do enjoy bread, of course, and I want to know that the bread I eat has been produced by workers who are properly accommodated in terms of pay and working conditions. I do not want to feel that the bread I am eating has been produced in situations of extreme discomfort. At times such as this when unemployment is relatively high, people hang on to jobs and might be tempted to accept conditions that would not be acceptable if they were not desperate for work. In such circumstances, we want trade unionism, but we also need statutory protection for workers in the workplace. That is what this debate is about.

My hon. Friend talked about other European countries. Sadly, time and again, the regulations protecting workers are considerably better in many continental countries than they are in the UK. We have to regulate working conditions, particularly the temperatures that bakery workers have to tolerate, and perhaps in other spheres, too. I do not want to make a long speech because my hon. Friend made a wonderful speech of almost 40 minutes in which he said just about everything there is to say. I congratulate him and give him my total support. I hope my hon. Friend the Minister will take note and that legislation will be promised and implemented before long.

10.14 am

Paul Rowen (Rochdale) (LD): I apologise for missing the start of the debate. It was due not to high temperatures, but merely a broken-down bus. It is a pleasure to serve under your chairmanship, Mr. Brady.

I congratulate the hon. Member for Hayes and Harlington (John McDonnell) on initiating this debate. This is an important issue in which, as he is aware, I have taken some interest. In response to a parliamentary question I asked the Minister last year, he said that over the previous four years there had been 53 incidents in which high temperatures were a major problem, including one in which there was a fatality. In the context of the number of industrial injuries that occur every year, that is a relatively low figure, but it is nevertheless significant.

Like the hon. Members for Hayes and Harlington and for Luton, North (Kelvin Hopkins), I find it difficult to understand and accept the arguments made by the Department and the Health and Safety Executive as to why we do not have a maximum operating temperature. In certain jobs, such as work in bakeries and foundries, high temperatures are a problem that affects the workers. For many office workers, it is important that there is a maximum temperature.

When my hon. Friend the Member for East Dunbartonshire (Jo Swinson) asked a parliamentary question last year about what the House authorities recommended as the maximum operating temperature, I was surprised that the reply from my hon. Friend the Member for North Devon (Nick Harvey) was that they work on the basis that it should be 21° C. If that is an acceptable temperature for Members of Parliament and their staff, we ought to set maximum temperatures for everybody else.

I understand the approach the HSE has taken in dealing with the range of factors that affect people's ability to work, but the same argument ought to apply to the minimum temperature. We have statutory minimum temperatures of 16° C for people working in a sedentary position and 13° C for those doing physical work. There is a range of conditions at the colder end of the scale that affect a person's comfort. The same argument should apply to the maximum temperature.

In a parliamentary answer that I received last year, the Minister said that the Department had asked the HSE to undertake a review and consult stakeholders. I was therefore looking forward to seeing the same sorts of controls. Whether for a minimum or a maximum temperature, there will always be discussion about what constitutes discomfort. The importance of the minimum or maximum temperature is that it sets the bare limit to which everyone is entitled at work. During a review, the HSE sent out a questionnaire with a closing date of 11 February. I do not know if that is the issue to which the hon. Member for Hayes and Harlington referred.

John McDonnell: For the sake of clarity, the HSE commissioned an investigation and report from Professor Ray Kemp. The survey subsequently sent out by the HSE related specifically to the impact assessment, including the impact of introducing regulations. The danger is that the HSE seems to think that it can deal with just one sector, rather than with industry as a whole. Such a sectoral approach would cause even more confusion.

Paul Rowen: I am grateful for that clarification. I agree that although the review is part of a process, there must be a wider discussion of the value of a maximum temperature.

I agree with the hon. Members for Hayes and Harlington and for Luton, North that it is a worrying trend that the HSE's resources have been cut and that there has been a fall in the number of inspections and, consequently, the number of prosecutions. A few weeks ago, I addressed the HSE staff conference, which is seriously concerned about how it can deliver the workload expected of it. The net result of further changes can only be a diminution in the ability of the HSE to deal with its statutory responsibilities.

There is great merit in establishing a maximum workplace temperature. As has been done in Germany, it is possible to set an upper limit for people doing physical work and a slightly lower limit for those doing sedentary work, but that will not help with all the other issues that must be dealt with as a result of temperature discomfort. Those issues can still be dealt with, but there should be a statutory maximum and, as I said, I cannot understand the argument for having a lower limit, but not an upper one. We either accept that there must be limits and ranges within which people can work or we do not.

The current position of having a statutory lower limit and an advisory upper limit is clearly unsatisfactory. There have been no prosecutions, and there are no proper records of the number of people affected by higher temperatures, because the existing regulations have no teeth. They need teeth, so that they can protect workers who have to work in higher temperatures.

10.21 am

Mr. James Clappison (Hertsmere) (Con): It is a great pleasure to serve under your chairmanship this morning, Mr. Brady. I congratulate the hon. Member for Hayes and Harlington (John McDonnell) on securing the debate and on his extremely well-informed and considered opening speech. As hon. Members will have gathered, he has long campaigned on the subject and has raised it many times in questions and debates. As he made clear, he has also been the author of early-day motions that have attracted the signatures of a considerable number of hon. Members. Most recently, on 15 December 2009, early-day motion 491 attracted the signatures of 48 hon. Members. If a large number of hon. Members pen their name to an early-day motion, the matter should be taken seriously.

The hon. Gentleman set out in a proper way some of the problems that can arise from exposure to high temperatures and made the case for a maximum temperature. Certainly those are all issues that must be addressed and I will turn to that matter in a moment. We are also indebted to the hon. Member for Luton, North (Kelvin Hopkins) who made some important points, including a crucial remark about individual sensitivity to heat. He spoke with the authority of someone who, as we learned today, comes from a long line of bakers.

Both hon. Gentlemen have made it clear that, as with many other factors in the workplace, there can be no doubt that high temperatures can pose health and safety issues in the workplace in certain circumstances. As was also made clear, the Health and Safety Executive receives complaints about high temperatures in the workplace and, sadly, a small number of accidents at work in recent years have occurred because of the exposure of individuals to high temperatures at work. Very sadly—this was adverted to—there was one fatality as a result of exposure to high temperatures in 2006-07.

On going through the figures, I note that, compared with the numbers for other years, a cluster of injuries and one fatality occurred during 2006-07. Twelve major injuries resulted from exposure to heat in that year, as well as the fatality. I am not drawing things together, but I notice that the Health and Safety Executive has instituted legal proceedings over that fatality.

Kelvin Hopkins: Taking legal proceedings after a fatality is rather like closing the door after the horse has bolted. Do we not need legislation to ensure that the horse does not bolt in the first place?

Mr. Clappison: We agree that we certainly need an appropriate framework so that we can deal with the matter in an appropriate way. I am sure the hon. Gentleman would agree that where serious accidents or fatalities have occurred, there is the question of whether the legal framework has been broken. I do not want to say any more than that because I know that proceedings have

[Mr. Clappison]

been initiated in the case we have mentioned. It certainly catches the attention that there was a cluster of serious cases in 2006-07. I do not know whether they occurred because of a single incident or what the background is, but it certainly underlines the fact that serious health and safety issues can arise from high maximum temperatures.

The question is, how should we deal with those issues? As the hon. Member for Hayes and Harlington has made clear, no legal maximums for temperatures at work are laid down as a binding rule. However, the Health and Safety Executive deals with the issue of workplace temperature within the frameworks of the Health and Safety at Work, etc. Act 1974 and the more recent regulations to which the hon. Gentleman referred, particularly regulation 7 of the Workplace (Health Safety and Welfare) Regulations 1992. Those regulations deal with the temperature in indoor workplaces and state:

"During working hours, the temperature in all workplaces inside buildings shall be reasonable."

There is an associated code of practice that deals with temperatures in workplaces and sets out the matters that must be taken into account in taking reasonable steps in certain circumstances. The hon. Gentleman made some points about that framework and what he considers to be the disadvantage of it, and those matters will have to be taken into account.

Previous Health and Safety Executive guidance has stated that a defined and acceptable zone of thermal comfort lies roughly between 13° C and 30° C depending on the nature of the activity being undertaken. Again, the hon. Gentleman set out his case relating to that. He and other hon. Members have been campaigning on the issue for some time, and we note that in February last year, the then Secretary of State, the right hon. Member for Stalybridge and Hyde (James Purnell), wrote to the chairman of the Health and Safety Executive to ask her to revisit the reasons for and against a maximum workplace temperature. That came after a process of reviews and debate on the subject.

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): The hon. Gentleman is setting out the circumstances and the regulations, but I think hon. Members would be interested to hear his opinion—I hope he gets to that. When he does get around to giving his opinion, will he inform us and wider society how his opinion squares with the Green Paper published by the Conservatives during their 2008 conference, when the right hon. and learned Member for Rushcliffe (Mr. Clarke) said:

"The powers of Government inspectors"

in health and safety "will be drastically curbed"? Indeed, the Leader of the Opposition said also last year that they

"will reduce the burden and impact of health and safety".

What powers will be drastically curbed?

Mr. Clappison: I will not be tempted by the Minister, who is going much wider than the subject of the debate. I have to say that his contribution is not in keeping with the rest of the debate, as he has referred to something much more general. If he wants to put his argument in such a way, I should say that he has heard the hon. Member for Hayes and Harlington go through in some detail what he considers to be the shortcomings of the present Government's efforts in this regard. They have at their disposal the whole apparatus of the civil service and its controls, and its relationship with the Health and Safety Executive. I was not going to go down such a route, but the Minister chooses to go down it, so I have to say that what the hon. Gentleman said should not make particularly comfortable listening for him.

John McDonnell: I have tried to approach the debate by attempting to secure a consensus largely because, if there is a hung Parliament, I am working on the basis that the Socialist Campaign Group will hold the balance of power between the parties. I say to my hon. Friend the Minister that I, too, am concerned about some of the statements made by the Leader of the Opposition and the specific quote from the Green Paper. However, I do not want that to be a matter of controversy today. I am trying to arrive at a position whereby we can move forward on the issue of maximum temperatures that has been signed up to today. Anything he can say that is of comfort about support for maximum temperatures would be extremely helpful in securing that consensus.

Mr. Clappison: I certainly share the hon. Gentleman's approach in so far as it is factual and evidence-based, as I am sure he would want it to be. We certainly feel that the issue should be addressed, alongside other issues that pose a threat to health and safety. As with every other potential health and safety issue, we would expect it to be tackled in an effective but proportionate, sensible and appropriate manner. We are waiting to hear the Health and Safety Executive's views in the inquiry commissioned by the previous Secretary of State, so it would be sensible to wait and see what it has to say.

I can assure the hon. Member for Hayes and Harlington that we want the issue to be dealt with in an effective, proper and sensible manner, proportionate to the scale of the problem he has identified. That is our general approach. He cannot expect the Opposition to go much further than that on such a detailed matter, when there is a Health and Safety Executive at play, or to go so far as to set down a detailed maximum temperature today. We would want to approach that in an appropriate, sensible and practicable way, taking into account the seriousness of the matter. If the hon. Gentleman wants to get further than that, he is welcome to try.

John McDonnell: Just as a matter of warning, statements such as

"The powers of Government inspectors will be drastically curbed"

send out the wrong message in the health and safety area, so I would like the hon. Gentleman to take that back if possible. Secondly, I suggest to him, as I suggested earlier, that we try to establish a time scale for a set of actions to be taken, so that the Government can make a decision. I would like that to happen before dissolution, but if that cannot be done then at least within six months, because we have been at this for so long. The latest process started last January, so it is over a year later. The hon. Gentleman could indicate that he, too, sees it as a matter of some urgency now, and that a time scale of six months for resolving it would be reasonable.

Mr. Clappison: I might be wrong, but I think we are still waiting for a response to the initiative the then Secretary of State took last February. Perhaps the Minister will have something to tell us about that in a few minutes. I appreciate that the hon. Member for Hayes and Harlington is a doughty campaigner, so what I will say to him is that, were we in a position to form a Government, we would always want to hear Members' opinions on health and safety matters and take them into account, especially when they are made in the detailed and well-informed way they have been made today. Ministers should always be prepared to listen to the views of the House, and I hope that that was implicit in my opening remarks.

I hope that I have set out our general approach on the matter and look forward to hearing from the Minister—quite apart from his earlier unfortunate remarks—a detailed response to the hon. Gentleman's speech.

10.33 am

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): I begin by congratulating my hon. Friend the Member for Hayes and Harlington (John McDonnell) on securing the debate. He referred to the industries based in his constituency and to the work of the bakers union, Usdaw and other unions that are concerned with the matter. I congratulate other hon. Members on their contributions and will come to their points when I conclude. The debate is a good opportunity for the House to consider the report the Health and Safety Executive commissioned on the current approach to workplace temperatures. The HSE is actively carrying out further work in that area to identify those sectors where thermal environment is an issue, and to scope the full extent of the problems presented and identify an appropriate and proportionate solution. I am aware that there has been considerable debate on maximum temperatures.

John McDonnell: Before we lose the point, I asked a question about the appointment of the person leading the HSE review. Will the Minister, perhaps by writing to me, clarify the process for the appointment of that individual and the process for appointments generally by the HSE for such key reviews?

Jonathan Shaw: It is important that people affected by organisations or individuals undertaking imp[illegible] reviews are confident that there is a proper proce[illegible] place that identifies their expertise. Of course, it is not a pure equation, and people might not see the information they had hoped for at the end of a report, but they should have confidence in the process, so my hon. Friend makes a reasonable point. I will ensure that he gets those details, and I will publish the letter and put it in the Library so that all hon. Members can see it.

The issue of maximum temperatures in the workplace has been discussed for several years, as my hon. Friend indicated. The TUC has been calling for a change in legislation with the introduction of an absolute maximum temperature, as has been mentioned, of 30° C, or 27 ° C for those doing strenuous work, at which point workers should not have to work unless effective measures are put in place to manage heat, with failure to do so making an employer liable for prosecution.

I certainly support my hon. Friend's call for clear and coherent requirements for employers on how they combat heat in the workplace, and that has been reflected in comments from other hon. Members. That is what the HSE review has focused on achieving. In considering the best way to achieve that, it is important to understand the existing regulatory approach. Despite the concerns raised today, understanding the scientific evidence must play a key part in informing that. The HSE advises that temperature is only one indicator of potential thermal discomfort in the upper range. The influence of temperature on health and safety in the workplace is dependent on the interaction of several factors: air temperature, clothing, relative humidity, radiant temperature, air movement and metabolic work rate.

Paul Rowen: I hope the Minister will respond to my point that such issues arise at the lower end of the temperature scale, and that has not stopped us having a minimum temperature, so why cannot we use the same process and have a maximum temperature?

Jonathan Shaw: I noted the hon. Gentleman's earlier remarks and I will come to them later in my speech. Although those factors exist in cold environments, air temperature is actually a much better predictor of how a person will feel when cold, meaning that we can predict with much more confidence that controlling the temperature to a regulatory minimum should ensure that a workplace can achieve a safe thermal environment.

The same cannot be said of a hot environment, where factors such as humidity have a much greater effect on how a person will feel. Radiant heat is also an important consideration in that context. As a result it will always prove difficult to identify a suitable maximum workplace temperature for all workplaces. For example, how would that work for a foundry? For those reasons, the HSE currently advocates a risk-assessment approach to working in heat that takes into account the interaction of all factors that will influence how an individual feels in a given thermal environment. Detailed guidance on how to complete thermal risk assessments is provided through the HSE website. Recognising the complexities involved in that issue and the concerns raised about the clarity and application of the current regulations in the workplace, HSE has, as we have heard, undertaken a review of the workplace temperatures policy and guidance.

John McDonnell: On the difference between the minimum and maximum, I put it on the record that 99.9 per cent. of the population know when they are too hot or too cold. The complexities that have been brought forward regarding the maximum temperature could have been used for the minimum temperature, because we now use arguments about the wind chill factor and other considerations that affect how people feel the cold. I want to put it on the record that the vast majority of us feel that the process for finding the maximum temperature and the use of scientific evidence is a process of obfuscation and avoidance of responsibility.

Jonathan Shaw: I assure my hon. Friend that that is not an attempt to avoid the issue, which is why the previous Secretary of State, my right hon. Friend the Member for Stalybridge and Hyde (James Purnell), undertook to ensure that that work was completed. We take the matter seriously.

[Jonathan Shaw]

The HSE has received more than 445 responses to its initial scoping questionnaire last year from a wide range of sectors. The questionnaire was supplemented by a well-attended stakeholder event in July 2009.

Kelvin Hopkins: Are a high proportion of the representations from employers? Clearly, there will be costs involved in dealing with new legislation or stricter regulation. There would need to be some investment in workplaces to ensure that temperatures could be controlled. How much pressure has been put on both the HSE and the Government by employers?

Jonathan Shaw: When I refer to stakeholders, I include employers' representatives and employees' representatives such as trade unions, which have been referred to in the debate.

Along with extensive engagement with stakeholders as part of the further work requested by the HSE board, which I shall touch on later, the work done by the HSE to consult all interested parties is the right approach. It is not fair to say that an attempt to build consensus is the wrong approach. There needs to be discussion. If there were not, there would be a great deal of criticism.

Further analysis was also undertaken as part of the review, including interrogation of the HSE statistics collected under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 and information on complaints and queries submitted to the HSE information line. The analysis revealed that there was little evidence of health effects caused by high temperatures. Infoline information demonstrated that the number of complaints and queries increased in direct relation to hot and cold spells of weather.

In addition, information was considered from key European Union member states—this has been referred to by hon. Members—on how workplace temperatures are managed in their countries, along with research gathered on the experience of managing workplace temperatures in Australia. It is clear from the report that there is no consistent approach to the matter across Europe. Some member states recommend a maximum temperature but others do not.

Kelvin Hopkins: I am interested in what the Minister says about comparable European countries. Would it be fair to say that the most liberal regime at present is in Britain, and that we have some way to go to catch up with what typically happens on the continent?

Jonathan Shaw: I would not say that ours is the most liberal regime.

The HSE board received the report, which concluded that, on balance, workplace temperatures do not justify active regulatory intervention but rather, improved joint working between all parties to the issue: the Government, trade unions and employer representatives. The report included a number of options for consideration, from retaining the current approach to amending the approved code of practice to include a maximum upper temperature limit, in addition to the current lower limit.

The report provided some valuable information and showed that there is a wide range of views on the issue, but the HSE board felt that it was inconclusive. It has asked for further evidence to be gathered to scope the full extent of the problems presented. As part of that further work, the HSE is keen to focus attention on those sectors that are most affected, and to identify practical and effective steps that can be taken to tackle the problem in those workplaces. That will not preclude a review of the regulatory provisions, but will help to address the issue more speedily and effectively where needed, while also helping to inform further consideration of whether a maximum temperature or a legal trigger for action, which my hon. Friend the Member for Hayes and Harlington referred to, would be proportionate and effective. So that matter is under active consideration.

My hon. Friend stated that there is a lack of traditional forms of evidence of incidents or illness caused by high temperatures other than anecdotal reports. In attempting to gather as much evidence as possible to allow a full consideration of the problem and any possible regulatory solution, the HSE has developed a survey to cover employers and employees. It was developed with assistance from the HSE's occupational hygienists to ensure that the questions were designed to capture the right information. It was developed with the aim not of achieving a consensus of views on the issue, but of establishing whether there is evidence of health effects caused by working in high temperatures.

The survey was sent to several organisations including employers, employee representatives, trade unions and so on. The HSE was particularly proactive in publicising the survey and encouraging people to respond to it, and we have received many responses in different formats. Responses were requested by 11 February, as the House has heard. There was a huge number of responses—more than 3,000—from health and safety representatives, trade unions, employers and so on. The HSE is in the process of analysing the responses and will work with its economists to calculate the costs and benefits of the options proposed. It will use the information gathered from the survey, along with data relating to the age of the building premises and environmental considerations.

John McDonnell: The Minister mentioned costs. I would like to place on record—perhaps he could pass this message on to the HSE—the fact that the analysis of costs should not just involve the costs to employers of introducing protective or compensatory measures. There should be an understanding, too, of the costs to wider society of the effects of heat on health. The cost burden falls on the individual and their family, then on the NHS and the general taxpayer.

Jonathan Shaw: My hon. Friend makes his point well. Of course we need to consider the wider effects on individuals and society.

We will look at the information on costs that would be incurred through the introduction of measures to manage the issue, and on potential cost savings that would be generated by increasing productivity and reducing the days lost due to illness. That is another part of the equation that we need to factor in. A facility that is operating with good health and safety measures is an efficient facility—the two do not contradict each other. I have seen that through my own experience of working closely with the paper industry in my constituency, in years gone by.

All of that detailed information will be used to complete a regulatory impact assessment, which will inform the future direction of travel. Due to the complexity of the

issue and the sheer volume of data and evidence to be analysed, it is not possible to say at this stage what the outcome will be. The HSE board will consider the further evidence gathered at its meeting in April 2010, and a report to Ministers will follow in May 2010.

The HSE is establishing a working group with key stakeholders in the baking industry to discuss the problems caused in that sector by workplace temperatures and to discuss any examples of good practice. The group's first meeting will take place on 3 March 2010, and the HSE will subsequently engage in discussions with key stakeholders from other sectors affected by thermal environments. I would encourage the bakers union, the TUC and industry representatives to embrace the sector-specific discussions as an opportunity to help address the concerns of their members while helping to further everyone's understanding of how high workplace temperatures can best be managed and controlled.

John McDonnell: We have had discussions through the trade union group with the bakers union, which is keenly engaged in the sector discussions, but let me make the point that has been made to us by the union itself. It does not want to be seen as part of some form of divide-and-rule measures whereby we pass off individual sectors and do not establish across all of industry and commerce a maximum temperature regime. We need to address the fear that participation in one-sector reviews will mean that other sectors will not be involved, or that there will be delays in involving them. By all means, the union should participate in sector discussions, but not at the expense of wider progress on maximum temperature across industry.

Jonathan Shaw: I am not expecting the unions to change their position, but equally I am pleased that they are willing to engage. I will ensure that my noble Friend Lord McKenzie of Luton is aware of that.

On the point made by my hon. Friend the Member for Hayes and Harlington and other hon. Members, it is not the case that we wanted to avoid this important issue. We want to see a conclusion for the benefit of workers and employers. The current HSE strategy encourages strong leadership and worker involvement. A number of people commented throughout the review that workers need to feel empowered to manage their working environment. However, I take the point made by my hon. Friend the Member for Luton, North (Kelvin Hopkins): a worker's ability to be empowered can vary greatly in terms of the relationship with their employer. I accept that.

John McDonnell: My hon. Friend the Minister has set out—let me be clear about this for the record—the fact that the regulatory report and the impact assessment will go to the HSE board in April and there will be a report to Ministers in May. May I ask my hon. Friend to be clearer about what the process might be after that if the Government determine that they will go along the line of a maximum temperature? What processes are envisaged in that regard? Will there be delegated legislation? What time scale would be envisaged? This campaign has been going on for a long time. Hopes were raised 12 months ago that this issue would be wrapped up by last December and there is disappointment that the matter has dragged out even further.

Jonathan Shaw: I will ensure that my noble Friend Lord McKenzie is aware of the desire for a road map and timetable to be set out to provide some confidence. *[Interruption.]* I have been handed some inspiration. It would be appropriate to carry out a full 12-week consultation on any proposed amendments. My hon. Friend will be aware that that is in line with Cabinet Office guidelines on good practice. The timetable would be one part of the equation. I will see if my noble Friend is able to set that out in the way described by my hon. Friend.

John McDonnell: Just to see if we can inspire some more inspiration from other sources, I should say that that would help. If my hon. Friend cannot provide it today, perhaps he will write to us.

I understand that there will be a ministerial report by May, a decision by Ministers, then the normal 12 to 13 weeks' statutory consultation on whatever is proposed. It would be useful to know whether delegated legislation would be introduced if a change of regulations is required, whether affirmative or negative resolution in the House would be required, or whether there would be a ministerial signing-off process that might prevent the measure being impeded in any way by attempts to seek parliamentary time.

Jonathan Shaw: I will ensure that my hon. Friend receives those details.

In summary, there are a significant number of factors to consider. It is a highly complex issue and further work needs to be undertaken. However, it is important that people work in comfortable conditions and that they feel empowered to be able to report concerns. We monitor heat stress, but it is not possible to isolate cases through the RIDDOR structure, as a result of the related matter of people working in confined spaces.

We have recently surveyed HSE field inspectors to gain a better understanding of the work that they do on heat-related incidents. Inspectors consider what action employers have taken, if a complaint is received in respect of an investigation that they are carrying out, and whether they have followed guidance in relation to temperatures, including provision of water, temporary cooling, additional breaks, worker rotation, and so on. It would be feasible to undertake more in-depth, lengthy studies in this area and we will consider doing so.

The Industrial Injuries Advisory Council has reported that to date no research or evidence on the effect of heat at work on certain occupations has been brought to its attention. I think that hon. Members would agree that the evidence base must be established to inform site inspectors' decisions. This informed, measured debate is welcome, and it is in such an atmosphere that we improve the lot of workers in their workplaces. I hope that there can be more debates with the tone of this one, because too often, health and safety is characterised by the "gone mad" argument, which is nothing to do with the HSE. Every year, the HSE publishes its calendar trying to bust the myths, but it does not have the budget to compete with some newspapers that want screaming headlines. I raised the point about Conservative party policy with the hon. Member for Hertsmere (Mr. Clappison), because it is important that we have such debates in this type of atmosphere. We cannot have a parallel universe operating in which that party's

[Jonathan Shaw]

key spokespersons talk about dramatically removing powers. That is what they said. If what the hon. Member for Hertsmere said this morning is a rowing back from that position, and shows the Conservatives taking a more measured approach, that is entirely welcome. The hon. Gentleman chastised me for making a party political point. I will happily withdraw that remark if he is saying that he will take a more measured, sensible approach to this important issue.

South-East London Transport

11 am

Clive Efford (Eltham) (Lab): I applied for this debate to highlight the need to increase capacity on our road transport network in south-east London, and our passenger transport network. I acknowledge that there have been some improvements—too many for me to go through in this short debate—but recent events have highlighted that the system teeters on the edge of collapse daily due to demand. The slightest defect in the system has enormous consequences for commuters in delays and congestion.

During the period leading up to Christmas, several events on the roads leading to and in the Blackwall tunnel highlighted the problem. Each event resulted in gridlock for south-east and east London. The impact on the economy and the lives of thousands of people in that area is impossible to calculate. We are all affected, even on the shortest of journeys, because such incidents may cause severe delays.

The recent cold weather exposed the lack of resilience in our rail services, particularly on 6, 7 and 8 January, when services at peak times were reduced to two trains an hour, and the rail service closed down at 8 o'clock in the evening. Southeastern's response did not reflect customers' experience, and certainly not my experience as one of its customers. I was one of the passengers at Eltham station who were left waiting in the freezing cold with no information about what was happening, only to see one train come in so overcrowded that only a few people could force their way on to it from a packed platform. The next train was so packed that it did not even stop. There was no warning for the people waiting on the platform that there would be no opportunity for them to get on the trains. The whole episode smacked of panic, and Southeastern's explanation for what happened between 6 and 8 January was not satisfactory.

Bob Spink (Castle Point) (Ind): Around 6,000 of my constituents travel to east London to work every day. Does the hon. Gentleman agree that the way to tackle the problem on both roads and rail is to increase capacity on the railways, and to enable more carriages to be added to trains by extending platforms and improving the infrastructure? It is time the Government made more investment in that.

Clive Efford: I accept that, and the Government have attempted to do just that. The purpose of this debate is to urge the Minister in a friendly way along that route. I do not accept Southeastern's argument, and the penalties to prevent train operators behaving in that way are not sufficiently severe. Its response to the cold spell suggested that it had not planned for it, and it was not prepared to make any effort to deal with it. The Government's response should be a severe penalty.

The Oyster pay-as-you-go system was introduced in January, and was welcome. It streamlines ticketing between London transport and mainline rail services, but there is a surcharge for using it on Southeastern's trains, which is not paid on other parts of the network that had pay-as-you-go before January. That is unacceptable, and the Government should address the matter.

I should add in response to the intervention from the hon. Member for Castle Point (Bob Spink) that for a considerable time we have been promised 12-car trains on Southeastern. I have a simple question: when will

they arrive? They have been promised, they are essential to increase capacity, and we need a date for when they will be delivered.

The main commute for my constituents has always been from south-east London to central London, and that will continue to be so, but as docklands, the Olympic park, Stratford and other developments in the east Thames corridor develop, more and more of my constituents will want to go directly north across the river.

Mr. Andrew Pelling (Croydon, Central) (Ind): I congratulate the hon. Gentleman on securing this debate. He is renowned for fighting strongly for improved public transport for his constituents. The route to docklands is also important for many of my constituents who will travel into his constituency and east London for employment. Is it not important to ensure that Transport for London takes over more transport facilities so that there is a better service? TfL is taking over Norwood Junction station on the East London line into docklands, and we hope that there will be some investment and improvement at that station where the subways, for example, are in a bad condition.

Clive Efford: I congratulate the hon. Gentleman on bringing south-west London into the debate. I echo his sentiments on wanting expanded public transport options.

The Mayor of London recently held a consultation on a transport plan for London, to which I responded, and I want to highlight a couple of points that he made in his consultation document. In chapter 5, paragraph 403, he said:

"As the economy of east London has changed, developments such as Canary Wharf, ExCel and The 02 have increased the demand for travel across the river significantly. Many of the large new economic drivers for London are located in east London, with the majority of these lying north of the river, such as the Olympic Park and adjacent Stratford City development, Canary Wharf, ExCel and City Airport. Access to these growing destinations from southeast London can be difficult due to the barrier effect of the Thames."

He continued in paragraph 405:

"However, there are still few road crossings of the Thames in east London, causing difficulties for those who cannot use public transport for their journey, and in particular business journeys.

Drivers are heavily dependent on the congested Blackwall and Rotherhithe tunnels, each of which have restrictions on the size of vehicle which can use them, and the Woolwich Ferry. Beyond London, the Dartford crossing, forming part of the M25 orbital motorway, also regularly operates at, or close to, capacity. There is little resilience in the event of an incident at one of these crossings, and local businesses, particularly in southeast London, suffer from this unreliability. The projected increases in jobs and population in the Thames Gateway will increase the problem of highway congestion and road network resilience at river crossings further. The Mayor is therefore supportive of investigating options for road based river crossings in east London as part of a package of transport improvements."

Recommendation 39 in the consultation is to develop the Silvertown link between the north Greenwich peninsula and Silvertown in docklands.

I have responded to the Mayor's consultation in support of that proposal, but urged that any crossing should not be just a road crossing. It is not sufficient just to build road capacity without expanding public transport capacity. It would be folly to build just a road, without including capacity to bring the docklands light railway to north Greenwich. North Greenwich is developing as a transport hub and interchange for south-east London, and the natural progression for that development would be to bring the docklands light railway to north Greenwich.

I have responded to the Mayor with three specific proposals, on which I consulted many constituents. More than 700 have indicated their support for my proposals, and the number is growing. First and foremost, we need to deal with the congestion at the Blackwall tunnel by building the Silvertown link. Secondly, that Silvertown link should include a facility for the docklands light railway to come to North Greenwich station. The third point—which is probably the most important for my constituents—is that once the docklands light railway reaches North Greenwich, it would be more feasible and cost effective to bring it along the A102 and A2 to places such as Eltham, than it would be to cut a tunnel through Shooters hill from the spur at Woolwich town centre. I believe that that has been looked into, but it may have been dismissed.

Those are three specific proposals: the Silvertown link, the DLR to North Greenwich, and the DLR to Eltham. I have had some success with the proposals as they have generated discussion locally, which was part of the objective. Unfortunately, the local Tories have decided that they are opposed to the plans, which is rather short-sighted, and it has prompted the Green party to say that we should not have the DLR, but we should have the Jubilee line. I would not dismiss either, but I am happy that the debate has started.

Most significantly—joking aside—I am delighted that Greenwich council has decided to put a substantial amount of money into a feasibility study to look at the possibility of bringing the DLR to Eltham. That welcome step has a lot of support from local people. Whatever the outcome, whether it is my proposal or something else that comes out of the discussion, we cannot ignore this issue. Doing nothing is not an option.

The Department for Transport forecasts that road traffic will grow by about 32 per cent. between 2006 and 2025. London's congestion is forecast to increase by 30 per cent. However, over the same period, congestion on highways authority trunk roads is forecast to increase by 37 per cent. My constituency of Eltham is bisected by the A2 and the A20, and we will need to address the problems of congestion and pollution associated with that. For my constituency, "business as usual" is not acceptable because the developments that are taking place along the east Thames corridor and in the Kent area will exacerbate the problems that are already experienced.

Daily congestion is an environmental nightmare. However, I suggest that new technology will change the argument about the environmental and global warming potential of vehicles over the next generation, and increasingly, congestion will become the issue that we want to address because of its impact on people and businesses. Because of the environmental consequences, it is not fashionable to suggest that we build and expand our road network. However, as we see new technologies such as hydrogen cell, hybrid and electric vehicles on our roads, our attention will increasingly be drawn to dealing with the issue of congestion as the environmental impacts reduce. We must begin to plan for that situation.

[Clive Efford]

We have made mistakes in the past. It is fair to say that the previous Mayor was too anti-car and tried to design the car out of all commuter journeys to and from work. However, people desire to use their car for journeys to and from the point of embarkation on public transport, and that is what we have failed to facilitate in the past. The folly of the current Mayor is that he sees the car as an issue of human rights and freedom of choice, and he is blinkered to the inevitable impact that increasing congestion will have. If we, and the Mayor, do not start to plan to deal with these problems now, we will look with envy on the days of the relative high speed of the horse and cart.

We must accept that our road space is finite, and whether we believe that global warming is fact or fiction—and I believe that it is a fact—we will suffer the consequences of congestion. That is why I urge us to deal with the issue where the problems occur. I caution against the grand project of building huge new infrastructures such as new river crossings in new locations. Inevitably, that will create new problems and suck in more resources to deal with those problems. We need to look at the existing road network and make maximum use of the space that we have. Where we identify pinch points, such as the Blackwall tunnel, we should deal with them and try to make efficient use of our resources.

We must ask how we are going to contain growth. The figures in the Transport for London travel report of 2007 show some remarkable facts. For instance, the number of cars entering central London in 1993 was 155,000 per day. That is now down to 78,000—almost half. However, if one looks at the figures before 2002, when the congestion charge was introduced, we see that the reduction in the number of cars entering central London was greater before the congestion charge than it was after its introduction. The number went from 155,000 to 105,000 cars per day during the peak period of 7 am to 10 am between 1993 and 2002, while from 2002 to 2006, it went down to 78,000, which indicates that where public transport is available, reliable and efficient, people will make that choice, even without the stick of the congestion charge. We can achieve a modal shift.

We need to invest more in public transport and not focus so much on the necessity of charges, although they may be necessary in certain places. When the infrastructure is built, and if it is possible to impose a toll for people who are travelling long distances, I would like to see local people favoured and either not charged or charged a minimum amount. Charges for road space might be necessary, but figures show that people will make the switch if we improve our public transport network.

We have had experience of that in Greenwich, and before I conclude, I want to point out to the Minister that we need to review the way in which we assess the cost benefits of major schemes. There are three examples from Greenwich in which we have had to take on the Government of the day—including this Government over Crossrail—to get ourselves included in major infrastructure projects. First, when the docklands light railway was going to Lewisham, there was no plan to have a station at the Cutty Sark location. Greenwich town centre is the biggest tourist destination in London outside central London. Today, the idea of not having a DLR station at the Cutty Sark is frankly ridiculous, but that is what was planned. Thanks to the council taking on the Government and putting in its own resources, we got the station.

There was a similar story with the Jubilee line. One could not imagine having no Jubilee line station for the O2 today—I do not know how most people would have got there on the night of the millennium celebrations if we did not have the Jubilee line. Again, that is thanks to local politicians, who forced the Government of the day to accept that it was necessary to have a station at North Greenwich. As I have already said, that station is now a major transport interchange.

Similarly, there was the Crossrail row over Woolwich. The idea that the line would go under Woolwich but that there would not be a station was ridiculous. It is a major transport hub for south-east London, and we won the argument to force people to recognise the improvements. The first two of those schemes are now among the busiest stations on those networks, and it is unthinkable that we would not have had them. That highlights some flaws in how we assess the value of investing money in such schemes.

Let me make one or two suggestions. We need to think the unthinkable. We need to think about things that until now have not been considered viable or have been considered slightly off the beaten track, if hon. Members will excuse the pun. There are certain things that we need to consider. For instance, in relation to some of our urban motorway networks, we need to assess how we use the space and use motorways to provide more rapid transport networks.

One issue is guided buses or express bus routes. I have been successful in lobbying TfL to introduce the 132 bus from Eltham to North Greenwich, which is a direct bus route that goes down the motorway. The bus gets caught in traffic jams at certain times, but it has been an enormous success. It has opened up a new commuter route for people who want to travel into London via London transport systems or into the docklands. The bus route is now about 15 minutes from Eltham, whereas the previous route took 45 minutes because it was such a circuitous journey. By introducing faster transport links such as those along our urban motorways, we can encourage more people on to public transport.

Hard-shoulder running on our motorways to provide bus lanes is another issue. The M6 scheme has proved very successful at relieving congestion when the road is heavily congested. We could consider providing bus lanes on our urban motorways where appropriate. Park-and-ride schemes around our major cities are something that we have not developed, but if we really want to reduce congestion on our motorways, we, and the Mayor, should look at proposals for car parking around routes such as the M25 and for bringing people in on our motorway networks. Perhaps it would be a good use of the bendy bus to bring it along those motorways. For many years, I have advocated the use of our urban motorways as corridors to introduce light rail, hence my suggestion that we could bring the DLR to Eltham via the A102 and A2 and use the land adjacent to it or even above it for that purpose.

We need to deal with congestion on our roads and overcrowding on our trains. The expansion in capacity is essential, but building roads alone will not be the solution. We also need to expand our public transport network. The biggest cost in all this is to do nothing.

11.21 am

The Parliamentary Under-Secretary of State for Transport (Paul Clark): It is a pleasure to speak under your chairmanship, Mr. Brady. I congratulate my hon. Friend the Member for Eltham (Clive Efford) on securing the debate. Let me at the outset, in the short time available, place on the record my knowledge of his unstinting work on transport of all types: roads, public transport, the DLR and, indeed, as I have learned this morning, bus route 132. Those forms of transport are important to those who use them, and I recognise that increasing such options is fundamental.

My hon. Friend spoke about containing growth, but the issue is more about how we accommodate growth. I am sure that what he meant was how we deal with a vibrant city where we want to see job and leisure opportunities, and where we want visitors to our capital city to be able to move around with ease, and how we do that in a way that tackles two goals: dealing with the climate change and emissions agenda, and dealing with the congestion agenda. Both were highlighted in the Eddington and Stern reports and they are two of the critical goals for the Department for Transport in all the work that it undertakes, whether it relates to local transport, underground trains, aviation, shipping or other modes of transport.

I am sure that my hon. Friend is aware that the responsibility for transport in London rests primarily with the Mayor, but Transport for London receives substantial sums of money in the form of a block grant from my Department to deliver transport services. I am sure that my hon. Friend is also aware that in the past nine years or so, that money has more than doubled, increasing to almost £3 billion in 2009-10. As he recognised, that investment, coupled with fare income and other resources, has helped to facilitate a number of substantial improvements. The number of journeys on the tube and on buses has therefore increased. Indeed, bus patronage has grown by almost 50 per cent. in the past 12 years. That is because of the commitment that has been made to investing in public transport. In London, 90 per cent. of the population are within 400 metres of a bus stop. That is about encouraging people to use such transport. Where there is good, reliable public transport, people will use it rather than getting in their cars, as evidenced by figures that my hon. Friend used.

South-east London is served primarily by TfL's bus and road network, the docklands light railway, local authority roads and Southeastern Trains. It will also be covered by the extended East London line, which will open shortly as part of TfL's London Overground services.

Clive Efford: I accept that all the major investments that the Minister has mentioned are in inner south-east London, but although the East London line has been called the London orbital route, unfortunately my constituency is outside its orbit.

Paul Clark: I recognise what my hon. Friend is saying but, equally, he will be aware, given his comments, that the issue is not just about south-east London, but about wider areas. There are important benefits to the provision and not just for people living in the immediate catchment area. It will bring people in and take people away from other forms of transport, which will then be available for his constituents to use. I am sure that they will benefit from that provision.

As a frequent user of the Blackwall tunnel, I am well aware of the problems relating to it. The Mayor, in his draft transport strategy, has talked about options and progressing

"a package of river crossings in east London".

There is nothing to indicate how that would happen in terms of funding packages. As my hon. Friend will be aware, in relation to the Silverlink crossing, TfL had provided £351 million-worth of private finance initiative credits, which of course disappeared as soon as the Mayor decided that he was not going to progress. I am delighted that the debate has started, because that is exactly what needs to happen so that we solve the problem. The issue is important for local people, but it is not only important for the capital. It is also important for UK plc.

My hon. Friend may be interested to know that London is part of the work that we have been undertaking on getting congestion levels down on particular routes. Today, we have announced the latest round of awards from our congestion fund, and London has received a further £6 million, bringing the total to some £13.5 million on congestion measures over the past three years to help TfL in that process.

Let me briefly cover some of the other points that my hon. Friend raised. On rail services, he asked about the plan for 12-car trains and when that plan would be implemented. It is due to be completed by 2012. It was interesting that the hon. Members who formerly belonged to the official Opposition could not stay to hear my response. Perhaps that is because I was going to respond on the improved services that they have received because of the investment and commitment given by the present Government.

Southeastern Trains recognises that the pattern of service provided in the adverse weather was not acceptable, which is why a review is under way. The chief executives of Southeastern Trains, of Southern and of South West Trains have written to the director of operations at Network Rail to ask for an investigation of the operation of the third rail during the freezing conditions. The reason why things improved on 9 January was that, overnight temperatures were not as severe as they were between 6 and 8 January. I see my hon. Friend grinning, but let me say that a report is going to be produced. Let us examine it, then make a considered judgment on what we believe to be the case.

Time is pressing. My hon. Friend has raised a substantial number of important issues, not least the need for proper commitment from all concerned to deliver an infrastructure that meets the requirements of a capital city—

Mr. Graham Brady (in the Chair): Order.

11.30 am

Sitting suspended.

Property Taxation

[JOHN CUMMINGS *in the Chair*]

2.30 pm

Andrew George (St. Ives) (LD): I am delighted to have secured this debate on property taxation. As I shall make clear, I will not cover the whole subject as I am not qualified to do so. I shall focus on two specific aspects—second homes and holiday lets—and the problems that arise as a result of how property taxation applies to those sectors. Some may wish to comment on other aspects of property taxation, such as stamp duty or income tax, as they relate to rental income. I take this opportunity to thank Antony Seely and others working in the House of Commons Library, who have been most helpful in digging out material and information for me.

I start with an apology. If at all possible I try to avoid debates or inquiries on Treasury and taxation matters, as I find the subject deeply esoteric. Indeed, as with the present subject, I often find myself parachuted into the depths of a forest of tax regulations without a map, let alone a sat-nav. When dealing with the issue of property taxation, I find myself in an undergrowth, an impenetrable tangle of inter-related matters on domestic and residential property taxation. If I lose my way this afternoon, I appeal to the House not to be too hard on me. I know that other Members are always keen to engage in the thousands of hours of debate that take place on the Finance Bill every year, but I always avert my eyes, or make sure that I am not in the room when willing victims are selected for that particular torture.

My primary motivation in speaking on second homes is to address the question of meeting local housing needs. In my part of the world, which is shared by my hon. Friends the Members for Falmouth and Camborne (Julia Goldsworthy) and for North Cornwall (Dan Rogerson)—I am pleased to see them here this afternoon—that is the biggest and most chronic of the social problems that we face. It is not as if there is a problem on the supply side. Cornwall has done as the Government said every area should do. We have been prepared to build, and not be nimbys and resist development. We have more than doubled our housing stock during the past 40 years, which has grown faster than pretty much everywhere else, yet housing problems for local people have become significantly worse.

At the macro level, I acknowledge that the Government have identified housing needs for the next 10 years, saying that it requires an extra 3 million properties by 2020. However, areas such as ours must be careful to ensure that properties that are built supply our needs rather than contribute to the still growing demand for second homes. At the micro level, surveys that I have undertaken of estafe agents in west Cornwall over the last three years have shown that in any year between three and five times as many properties are sold to second home buyers as to first-time buyers. That is what estate agents have been telling me over recent years.

Julia Goldsworthy (Falmouth and Camborne) (LD): I congratulate my hon. Friend on securing this debate. I apologise, but I will not be able to stay for the whole debate as I have another appointment.

I listened carefully to what my hon. Friend said about his survey of estate agents. That survey was made all the more necessary because it is difficult for councils to collect information about second home ownership, as many second home owners seem to be transferring their property to allow holiday lets—property that is available to let for 70 days. As a result, those properties fall off the second home register, which makes it difficult for councils to estimate the scale of the problem let alone take action to deal with it.

Andrew George: My hon. Friend is absolutely right. Indeed, I pay tribute to her for having previously raised the uncertainty about the figures, which I will deal with later. Some elect to be charged council tax, but others change because they find it financially beneficial to identify their properties as small businesses, which therefore become eligible for business rates, which they find financially more attractive.

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate the hon. Gentleman on securing this debate. Further to the intervention by the hon. Member for Falmouth and Camborne (Julia Goldsworthy), I endorse the need for better and more accurate information for local councils and others. However, does that argument not cut the other way, in that the genuine holiday rental market is critical to tourism?

Andrew George: The right hon. Gentleman is absolutely right. Indeed, I shall be returning later to that very point, and the Government's intention in only a few weeks to introduce a change—a reversal—by ending tax arrangements for holiday lettings. However, that is a distinctly different sector. I am talking about people, including MPs who, through desire or necessity, have second homes and who, whatever they may claim, are not running them as holiday letting businesses.

I am not saying that west Cornwall and the Isles of Scilly is any more unique than other parts of the country, such as north Norfolk, the Lakes, south Devon and so on, that have a high number of second homes. If the taxation system fails to discourage or actually encourages a growing desire for second homes in those areas—I repeat a point that has been made many times in debates on this subject—it will have an impact on the housing market and the housing prospects for local people in those areas. The mismatch between low earnings and high house prices in west Cornwall, and especially on the Isles of Scilly, is shown in all assessments to be among the highest, if not the highest, in the country. That raises serious concerns about meeting local housing need, which is why the matter needs to be addressed.

I emphasise that this is not about the politics of envy. I know that many people say that it is part of the old class war, but it is not. Although I have made many remarks on the impact of second home ownership, many second home owners are among my friends. *[Interruption.]* All right, my best friends. It is not a personal issue. I am talking about the politics of social justice rather than the politics of envy. Many people who own second homes and who have a social conscience are aware of the issue and agree with many of my views.

I would like to address the issues of council tax, small business rate relief and the impact that capital gains tax has on second homes. When the Conservatives first introduced the council tax system, they brought in a 50 per cent. discount for second home owners. I strongly

campaigned against the discount from the moment I was first elected in 1997. I saw it as unjustifiable given the circumstances of some of my constituents. Having gained the figures from the Treasury, I pointed out that in any one year, something between £150 million to £200 million of taxpayers' money was being used to subsidise the wealthy to have second homes when there were thousands of local families who could not afford their first. It had to be emphasised strongly that the treatment of one group in the housing sector was in fundamental contrast to the treatment of another group, which was being subsidised by taxpayers' money, and that it was having such a detrimental effect.

Dan Rogerson (North Cornwall) (LD): I congratulate my hon. Friend on securing this wide-ranging debate, which I believe he has undersold. Taxation is a complicated subject and he wants to cover three particular areas. One of the problems of discounting council tax was that it was based on the old idea, which may also have been behind the poll tax, that there is a simple construct between the services that a person receives and how much they should pay for them, rather than there being an issue of a wider sense of contribution to the community around them. We are coming back to the idea of a contribution, and many second home owners accept the fact—except perhaps those who are opting for small business rate relief—that they need to pay that wider contribution for the privilege of having the luxury of a second home in an area.

Andrew George: Yes indeed, and I pay tribute to my hon. Friend for all his work in this area. North Cornwall has very high levels of second home ownership in some areas. His point about the principle of applying a contribution to the local community—a contribution to the local services in general rather than a charge for the services rendered and used by the occupants or the local residents—has often underpinned this particular debate. I have pushed the issue on many occasions. In fact, after chipping away at the issue for years and banging my head against a brick wall of resistance I was delighted when, on 3 February 2000 in this Chamber, the then Minister with responsibility for local government, the hon. Member for Sunderland, South (Mr. Mullin), finally relented and agreed to look into the issue. Although such things do not happen overnight, the Local Government Act 2003 introduced the measures to remove part of the 50 per cent. council tax discount for second homes. The class B properties, which are those that are available for occupation all year round—rather than those that have an occupancy restriction on them, which are the class A properties—were then charged at a 90 per cent. rate. I am pleased to say that in places such as Cornwall those moneys have been effectively hypothecated by the local authority to be invested in affordable homes for local people.

Since 2004, when the measure was first introduced, millions of pounds have been invested in local housing need. Of course 10 per cent. is still unpaid. Those people who pay council tax rather than small business rates very often claim single person occupancy as well, which means that they are still not paying at the same level as local people. There was a strong feeling among many local authorities, that instead of paying 10 per cent. less second home owners should be paying double the council tax, but that might push them in the direction of small business rates, which an increasing number of people with second homes are choosing to do. I congratulate my hon. Friends the Members for North Cornwall and for Falmouth and Camborne on raising the issue in previous debates.

Mr. Andrew Smith: Before the hon. Gentleman moves on from the council tax, may I ask him a question? It is not a mischievous question, but a genuine inquiry. Under the Liberal Democrat plans for a local income tax, how would he envisage the problem being addressed?

Andrew George: I believe that it should be addressed in each area. If someone has a property, they are charged on their income within that area. If they have two addresses, they pay two lots of local income tax. That is how I would wish to see it introduced. From my point of view, a local income tax is very attractive, because many second home owners are better off than some of the people who live permanently in the area. On that basis, they can make a significant contribution to the local communities in which they have purchased their properties.

The business rating system allows second home owners the benefit of tax breaks. Owners of second homes can avoid paying council tax by claiming that the property is available to let for 70 days of the year, which therefore means that it is classed as a small business, and the owners are entitled to small business rate relief. Moreover, second home owners can avoid paying capital gains tax by claiming roll-over relief when they sell the property. The issue that arises is the loss of benefit to both local councils—in the form of income—and the local economy. Clearly those who pay council tax are contributing to the local authority; those paying business rates are contributing to the Treasury. There appears to have been a significant shift from council tax to business rates since the 50 per cent. discount was removed.

Julia Goldsworthy: Is my hon. Friend aware of the measures that are being taken in Wales to tackle the problem of people trying to demonstrate that their holiday homes have been let for 70 days to qualify for business rates and business rate relief?

Andrew George: I want to come on to that point. There is a need to tighten up some of the loopholes that have been created. That may require greater tests of the accuracy and the honesty of the claims made by those who opt to pay business rates rather than council tax.

I am very conscious of the time and I have two fairly substantial issues to cover, including that of capital gains tax. It is worthwhile emphasising the relationship between second home ownership and capital gains tax, which was brought into sharp relief as a result of the so-called MPs' expenses scandal. As far as this issue is concerned—flipping the home that one elects as one's primary private residence—there exists what appears to be a pattern of behaviour among some MPs, and therefore the assumption is that it is happening outside the Houses of Parliament too. Clearly, flipping has provided a mechanism to allow a large number of people to avoid paying capital gains tax.

Private residence relief allows an individual to be exempt from tax when they are selling their only or main residence. If the individual has more than one property, they may nominate which property is their main residence for tax purposes. That choice can be changed; however, it cannot be backdated more than

[Andrew George]

two years. The process of nominating the property to be taken as one's main residence provides people with more than one home with an opportunity to mitigate their tax liability, flipping their designation from one home to another to ensure the gain from selling either of those houses is tax-free.

As I have mentioned, the issue of flipping arose controversially last year. Some MPs appear to have flipped the designation of their main home to mitigate the tax charge when selling one of their properties. For example, one makes a simple election, stating that one of the properties is the main home. Once the nomination has been made, it can be varied as much as the owner likes. The tax manual of Her Majesty's Revenue and Customs states that it is possible to switch the election from one property to another after just one week, and thereby claim the exemption for the last three years of ownership on both properties.

Principal private residence relief is the tax relief that allows home owners to sell their main property without incurring the tax on any rise in value that it has acquired. Potentially, people with a holiday or second home can reduce the capital gains tax bill that they would otherwise have to pay on sale.

Although it is possible to have only one main home at any one time for the purposes of the PPR relief exemption, gains attributable to the last three years of owning a property are ignored if the property has been the main residence at any time during the ownership.

On the issue of married and unmarried couples, it is currently assumed that a married couple or civil partners live in the same house and therefore have only one PPR relief between them. In contrast, an unmarried couple can each own a property, so effectively they get two allocations of PPR relief. People often choose as their main residence the property they feel they are most likely to sell first, or the one they believe will rise most in value.

What happened last year highlighted the flipping of homes for all the wrong reasons, when in fact flipping can be a legitimate way of providing oneself with a tax break. It was originally designed to protect those who had to move for work, and home owners with second properties can use it to their tax advantage.

On 3 December 2009, I asked the Financial Secretary to the Treasury, the right hon. Member for East Ham (Mr. Timms), whether he would undertake a review of these issues. He responded:

> "Tax policy changes are considered through the Budget process in the usual way. The Government consider a range of factors when formulating tax policy and keep all aspects of the taxation system under review."—[*Official Report*, 3 December 2009; Vol. 501, c. 947W.]

On 25 January 2010, I asked the Financial Secretary

> "what recent assessment his Department has made of the extent of the practice of re-designating property ownership to avoid tax liability on the sale of second homes; and what estimate he has made of the likely effect on revenue of such practices in the last 12 months."

The Financial Secretary responded:

> "No such assessment has been made, as it is not possible to distinguish between the cost of private residence relief attributable to nominations of main residences for avoidance and non-avoidance purposes. HMRC apply a risk-based approach to investigating any cases where they suspect an individual has nominated a property as the main residence on a spurious basis."—[*Official Report*, 25 January 2010; Vol. 504, c. 608W.]

That raises questions about how much flipping is going on outside Parliament, quite apart from the cases identified in Parliament in the way I have just described.

Dan Rogerson: I am tempted to note in passing that, as the change programme that has gone on in HMRC has probably got rid of quite a few compliance officers, it must be harder for HMRC to track these things.

However, the substance of my intervention is that we increasingly use the tax system to reward certain types of behaviour and to try to dissuade people from other types of behaviour—an approach that is being looked at in the environmental field, for example. I am sure that there are those who still argue that second home ownership has a positive effect on local areas because it brings people into those areas. However, the argument that I have always had to make—I know that my hon. Friend has also made it consistently—is that that is just not the case. Holiday lettings, as the right hon. Member for Oxford, East (Mr. Smith) pointed out, are a very different category and when they are occupied for far more of the time throughout an increasingly extended holiday season, they have a positive impact. However, empty second homes are different, and this tax system is incentivising something that is a disbenefit to a local area.

Andrew George: My hon. Friend's intervention stands in its own right, so I need not add to it; and just to make it absolutely clear, I agree with him on that point; it is not that I disagree.

The reason why I am mentioning council tax, business rates and capital gains tax is that we are looking for a solution to the housing problems in areas such as mine and in other parts of the country. There are chronic housing problems in those areas and the existence of second home ownership can only have a detrimental impact on the life chances—and, indeed, the life choices—of local families who are desperate to find a decent home of their own.

What has been proposed for many years is the introduction of a new use class order that would identify the distinction between properties that are occupied on a permanent and on a non-permanent basis—in other words, second homes. Under that system, those who wish to go for the latter category would have to apply for planning permission for the lifetime of that particular occupancy, which would give the local authority the opportunity to regulate the amount of second home ownership in any area through the planning system. However, the only problem with that system has always been how we define what is and is not a second home. The reason why this issue is relevant to the Treasury is that a range of tools is now available to help us make that definition, but they need to be more robustly used.

Mr. Gregory Campbell (East Londonderry) (DUP): I commend the hon. Gentleman for securing this timely debate. His area, like mine, is affected by second home owners, as I think many of the coastal resort areas are. However, the one issue he has not homed in on is current permanent dwellings that are the subject of intense scrutiny by possible developers. They acquire

the homes—existing homes with families in them—but then those homes become subject to possible redevelopment as second homes. The price then subsequently rises as a result of the acquisition by developers. How would the use order address that type of activity, which is prevalent in my constituency and doubtless in others?

Andrew George: I am grateful to the hon. Gentleman for making an important point. In fact, as well as the new builds and the change of use to existing properties, there are many instances in my constituency, particularly around the coastline, of blocks of flats or former hotels being purchased and demolished, and a suite of properties being built that, invariably, is not marketed locally but in wealthier parts of the UK as holiday residences. As far as I am concerned, the use class order should apply to that change of use as well as to properties that are not otherwise changed. I hope that will happen.

The starting position must be to define what a second home is. We are looking to the Treasury to assist in creating more robust constraints, controls and regulations in this area. We can identify where second homes are through council tax records, electoral records, the business rate records, from when people elect to apply council tax on their second properties and through local knowledge, but there is a weakness in the council tax records. The council tax system needs to be more rigorously and robustly enforced. We need to find a way to enable communities in areas such as mine to differentiate between properties that are genuinely for permanent occupancy and those that are second homes.

Julia Goldsworthy: Will my hon. Friend give way?

Andrew George: Yes, but I am aware of the time. I have one further issue to cover and know that others wish to contribute.

Julia Goldsworthy: My hon. Friend is being very generous and I promise that this will be my last intervention. Does he share my concern that the Government have a tendency to work in silos? Some of these issues relate to the Department for Business, Innovation and Skills, others to the Department for Communities and Local Government and others to the Treasury. Given the lead that the Treasury has taken on Total Place, is it not ideally placed to co-ordinate the tackling of this problem?

Andrew George: I agree entirely. I believe that the Government genuinely follow the mantra of joint thinking and cross-departmental co-ordination. This is clearly an area where they can ensure that Departments work in concert. I am afraid that that has not happened over the years.

I began by saying that I find this area of taxation incredibly complex. As a novice, my intention is not to make it more complex. I hope that regulations can be brought in that simplify the systems. It is the complexity that allows for many loopholes. Greater simplicity would allow us to be more robust and rigorous in achieving the objectives I have outlined.

In view of the time, I will not give the background. I am sure I do not have to explain to the Minister and other hon. Members the impact of the Government's changes in relation to furnished holiday lettings on a genuine business sector. I wrote to the Financial Secretary about the announcement in the 2009 Budget of the change to the arrangements introduced in 1983 under the Conservatives. Those arrangements were welcome and appropriate for people who work hard to ensure that this country has a vibrant holiday letting sector.

I will give the example of one business, which is not untypical of the kind of holiday letting business that exists in my part of the country. I am talking about not single second homes that may occasionally be made available through an agent to the holiday trade, but large holiday letting businesses. I will not name the business in my constituency, although it is one of those that I have discussed with the Financial Secretary. It is a large holiday park not far from where I live which offers a whole holiday experience. Every week, 200 families use the chalets in the park and 9,000 people visit it every summer. Its facilities include a swimming pool, entertainment, catering establishments, security, cleaning, linen, and an information and reception area that opens at 8 am and closes at midnight. Other than its being made up of chalets and not contained in one building, it is similar to a hotel.

The business has asked the Inland Revenue for a decision on whether it receives a trading income or an investment income. The regulations the Government intend to introduce in April rely on the difference between investment income and trading income. The Revenue has so far refused to give that clarification. I wrote to the Financial Secretary on this issue last month and emphasised that since the publication of the HMRC technical note of 9 December 2009, which explained to businesses how the change would apply to them, there has been increasing alarm throughout the legitimate holiday letting sector, in that the rules will have a serious and detrimental impact on it. Worse than just seeking compliance with the European tax rules on furnished holiday businesses, HMRC appears to be going further and has made clear its intention to treat such businesses as investment companies rather than trading companies.

The impact of the changes will be far-reaching in areas such my constituency and the rest of Cornwall and the Isles of Scilly, where many businesses are demonstrably not investment companies because they operate as holiday parks that provide whole holiday experiences, rather than property lettings. Properties that are fundamental to purpose-built holiday complexes, such as chalets, cannot be sold separately as part of investment activity. Of course, the rules will not apply to bed and breakfasts and hotels, even though they clearly compete in the same environment. As a result of the rules, there will be no encouragement for holiday businesses to invest in improving and modernising their facilities.

I understand that the Government thought this was simply a matter of tidying up an area of regulation, but I hope the Minister realises the far-reaching impact there will be on genuine holiday letting businesses, as distinct from second homes, which I described earlier.

Mr. David Drew (Stroud) (Lab/Co-op): I apologise for missing the first few minutes of the hon. Gentleman's excellent speech—I was being lobbied by homeopaths. I do not know if he mentioned this before I arrived, but his namesake Henry George would have said that the answer to this issue was to have land value taxation in this country. I know that the Liberal Democrats are not unsympathetic to that argument. Does the hon. Gentleman agree with me that we can sort these problems out by moving to a form of land value taxation?

Andrew George: That opens up a much wider area of debate. Perhaps we should reserve some time for a further debate on that. I have much sympathy for that argument, having kept in touch with my namesake through the Henry George Foundation, which regularly debates pushing this issue.

I welcome the Government's introduction of the community infrastructure levy. When a field worth £3,000 is allowed to be turned into unfettered domestic property worth, say, £1 million an acre, that is the gift of society through creating the planning rules and of the local community through the assent of the local authority. It is not unreasonable to ask for a proportion of that money, although the impact on the agricultural sector is a separate issue. That relates to the point made by my hon. Friend the Member for Stroud (Mr. Drew)—I call him my hon. Friend deliberately.

I apologise for taking up so much time, Mr. Cummings, but this is a complex issue and I have covered a wide range of areas. I apologise to other Back Benchers who wish to contribute to the debate. I look forward to the winding-up speeches.

3.10 pm

Dr. John Pugh (Southport) (LD): It is a privilege to serve under your chairmanship, Mr. Cummings, and to be speaking so soon, although I cannot promise to go on for the required length of time.

I congratulate my hon. Friend the Member for St. Ives (Andrew George) on securing the debate, although I should point out that he has seriously undersold himself. I believe that he is a legend in Cornwall, where he is seen as the scourge of the effete, opulent metropolitan elite who distort his local economy and housing market. I know from his activities in the House that he has been most assiduous in pursuing this topic. Far from being financially illiterate or challenged, he has shown a detailed, encyclopaedic knowledge, which might, in part, exceed the command of these issues shown by those on the Treasury Benches. My hon. Friend did, however, make one small error, although he can be forgiven for that because it was in connection with Liberal Democrat policy on local income tax.

My hon. Friend dealt with a very difficult subject—property taxation—and he acknowledged that it is complex. Taxation is never a popular proposition, but in the case of property taxation we are trying to use a variety of fiscal tools—council tax, the small business rate, capital gains, capital allowances, trading loss relief, roll-over benefits and so on—to bring about certain desirable effects. That is exactly what the furnished holiday lettings rules endeavoured to do; they were there to encourage greater tourism and the development of the tourism economy. That is to be approved of in most of the areas that we represent, including Southport, which is a seaside resort.

My hon. Friend wants the appropriate use of said tools to have certain clearly beneficial effects. The first is to discourage second home purchases and thereby increase the local housing supply, although he indicated that the local authority has done a fair amount through planning measures to increase local supply. The second is to encourage local rentals. I understand, although this has not been mentioned, that there is a fair drive under way to get farmers to diversify and to use their property to supplement their incomes in one way or another.

The third is to discourage non-occupancy, which means that property is not used at all, but is simply dead, vacant and locked up, despite the clear need for property in the area. That can, and in fact does, mean that home owners occasionally become holiday-letting people. Second-home owners will also become holiday-letting people, which means, paradoxically, that they will be more likely to be able to afford another home. To some extent, that shows how complex it is to use fiscal tools appropriately to achieve the right effect.

In any case, it is hard to distinguish between a metropolitan absentee, whom we might regard as bad, and a small landlord working with a short season which, unfortunately, is what people in the UK will mostly be working with. In fact, those two people may be the same person, which illustrates the complexity of the issue and the fact that tilting the rules in favour of the desirable case could also indirectly advantage the other case. A metropolitan absentee, if I can use that expression, might endeavour to rent at a price that is slightly above the commercial rent, but which does not look too bad, to secure certain benefits to make their property more affordable, essentially using tax devices that were put in place for other purposes to defray their own costs. That was discussed very effectively by my hon. Friend, who noted that clamping down on such practices was a matter of vigorous compliance. However, we would all acknowledge that compliance and catching people who are up to such tricks are complex matters, that they are not easy and that they often do not repay the energy involved.

The rental market is the one that most interests me and it is probably the one that most affects the housing economy. Treasury figures on tax and profit show that it appears to be expanding, and the figures in the debate pack indicate that profits from furnished lettings more than doubled between 1997 and 2007. What is not apparent, however, although it was discussed in the Finance Bill Committee, is what effect the Government's recent changes to the rules will have.

No Minister worth his salt would go anywhere without a proper impact assessment for any legislation that he introduced, and that is certainly true in this case. The Treasury impact assessment seems to indicate that the change to the FHL rules will not damage business and will in fact eventually increase Government tax revenues by £20 million, which is a tidy sum. On the other hand, the Tourism Alliance has a completely different take on the matter, and estimates that the Government's changes to the rules will cost £110 million and more than 2,400 jobs. That is a conservative estimate, and the alliance suggests a larger estimate if other things are factored in. I am not quite sure what its estimate is based on, but it is pretty grim when presented in those terms.

Generally, we would be happier and more comfortable about how the fiscal tools are playing out and about their effects if we knew more and if the Treasury's impact assessment was more broadly based—Treasury impact assessments can sometimes be somewhat narrow. Anything that encourages tourism and that encourages people to rent property in this country is a huge social good at the moment, and tourism is one of the few genuinely effective exports that we have. It reduces payments made outside this country and increases those made in it; it also has wholly healthy consequences for employment, benefits and taxation.

I therefore wonder whether the Treasury impact assessment on the recent change in the FHL rules is sufficiently broadly based or whether it is not in fact too narrow in its overall view of the pluses and minuses. The benefits to Cornwall, Southport and Northern Ireland of growth in the tourism market are appreciable. A more active tourism market would bring more property into use and, in doing so, presumably bring prices down. We could perhaps challenge Spain some day in terms of cheap accommodation, if not in terms of the sun.

The Minister will reply that any worries about changes to the fiscal regime, particularly with regard to holiday lettings, will have to be put aside, because the Government have no option. This is an endeavour to bring British legislation into line with European legislation, and these things are dictated by the single market and by the demand for tax unification. However, as the *Financial Times* noted on 25 April 2009, when it looked at this issue, the Government are inconsistent in their consistency. In some cases, they can, for good reason, be tardy in bringing our regime into line with the one that exists throughout Europe.

All that makes the case for a broad review, which is precisely what the Liberal Democrats called for during the passage of the Finance Bill. However, we probably also need to look specifically at the south-west. Although we talk about fiscal effects, they are set against the background of other changes in the market, particularly in supply. In that respect, the south-west must be an extremely interesting area to study, because it has valiantly endeavoured to increase supply; it is not just relying on fiscal tools to solve its problem. As my hon. Friend highlighted, it has also tried to be creative with the council tax regime. In a sense, therefore, it has pulled most of the levers necessary to resolve the problem. It now wants to know what the Government can do to make its endeavours more successful and to help it achieve the social effects that I described and which my hon. Friend and most people in the room wish to see.

3.20 pm

Mr. David Gauke (South-West Hertfordshire) (Con): It is a great pleasure to serve under your chairmanship, Mr. Cummings. I congratulate the hon. Member for St. Ives (Andrew George) on securing the debate. When I saw the title was "Property Taxation", I thought that that could cover a multitude of areas, so I am also grateful for his kindness and courtesy in indicating what he wanted to cover. I will focus the majority of my remarks on those specific points. He set out two key aspects: first, second homes, both within his constituency and the south-west as a whole, which is an issue that he has spent considerable time focusing on since 1997, and, secondly, furnished holiday lettings.

What lies behind the second homes issue is the significant concern that local people are unable to find local homes. In the south-west as a whole, figures suggest that house prices are typically eight times the local average salary. Those numbers are particularly significant in the south-west because it is hugely popular and the sort of place where people want to buy second homes. There is no doubt that that demand has played a considerable part in the housing problems. The hon. Gentleman is right to say that the south-west is not an area where there has been no house building; there has been an expansion of supply.

It is difficult to use the tax system, and specifically the council tax system, to address that issue. I take the point that there was originally a discount, but I am not sure how effectively the council tax system could be used, and whether the hon. Gentleman was getting support from his Front-Bench colleagues on whether it could be used. Given that Liberal Democrat policy is to replace council tax with a local income tax, it was interesting to note that it is not the case, as he suggested, that that would double the income tax, but I am still not sure what the answer is.

Andrew George: I expressed my personal view on the application of additional layers of income tax, because I think that that would be perfectly fair. The party takes a different view on that, which I did not expand on in answering the right hon. Member for Oxford, East (Mr. Smith). It would apply a locally collected business rate on second homes.

Mr. Gauke: I am grateful to the hon. Gentleman for providing that clarification. The way to address the genuine concerns that he has assiduously highlighted is to do more to encourage the building of local homes for local people. In recent weeks, we have set out our proposals for local housing trusts. Individual communities could bring forward limited development in their areas outside the local planning process. If there was strong local backing, it would be possible to develop local homes that local people would want, the make-up of which could be decided locally. We anticipate that some of that housing would be held in perpetuity for local people. Therefore, although I sympathise with the hon. Gentleman's concern, I am not convinced that the tax system is the right way to address it, but we can look at the planning system.

The second area that he highlighted was furnished holiday lettings, and I have great sympathy with his concerns. As the hon. Member for Southport (Dr. Pugh) pointed out, the Liberal Democrats requested a review when the Finance Act 2009 was being considered, as did the Conservatives on the Floor of the House. The background to that is that the regime in place since 1983 treats furnished holiday lettings as trading businesses rather than property investments. The significance of that is that it gives them a favourable tax regime through the availability of capital allowances and certain loss reliefs that would not be available if the lettings were treated as property investments.

At the moment, the regime applies to property based in the UK. The Government's advice says that, were they to be taken to the European Court of Justice, they would have to apply exactly the same regime to properties held elsewhere within the European economic area, which would involve an additional cost. Extending it more widely would involve a cost to the Exchequer—not necessarily a huge one but certainly a cost—so they are looking at removing the regime. There are concerns that that would have a knock-on effect in particular localities.

It is better for local communities that a property is let out, rather than used as a second home. There may be an argument, although not a particularly strong one, that those properties might go on to the market for local people if they were not used as furnished holiday lettings. If that were the case, it would change the nature of the argument, but what we hear is that, largely, those properties

[Mr. Gauke]

would simply become second homes used very occasionally by people living some distance away and adding very little to the local community. There is a legitimate concern.

Andrew George: I was attempting to emphasise that there are large numbers of purpose-built holiday chalets and other properties, with planning restrictions on their occupancy, that are clearly run within the curtilage of a holiday park. We are primarily concerned about those businesses. They may be using the business rating option to avoid the council tax option, in the manner that I described earlier, but they are clearly on the fringes of what we are talking about as they provide a holiday experience. They are trading rather than simply collecting money for the occasional letting of the property.

Mr. Gauke: The hon. Gentleman makes a good point and those cases are clear. In the one that he identified, I wondered at one point if he was going to provide the contact details as well. It sounded like a very tempting location for a holiday. I do not want to overstate the case that I was floating. Many of the properties are cottages that are likely to be bought as second homes. The likelihood is that they would not be bought by locals, but his point is fair; there are properties for which the changes are not an issue at all.

There is a lack of joined-up government on this. As I understand it, the Minister of State, Department for Culture, Media and Sport, the right hon. Member for Barking (Margaret Hodge) was first informed of the developments in the taxation regime in public and she had no idea that there was to be a change. There does not seem to have been any consultation between the Treasury and the Department for Culture, Media and Sport. Therefore, one suspects that there was no proper assessment of the impact on local communities.

Dr. Pugh: The hon. Gentleman is making the case for serious research into the effects of the change in fiscal measures very well. It strikes me that the effect may not be general but may vary from area to area depending on the attractiveness of the property, its proximity to London and so on.

Mr. Gauke: The hon. Gentleman is right, as he was in his earlier point about this being a particular issue for the south-west. Other parts of the country will clearly be affected, but one suspects that the problem is considerably concentrated in the south-west. If the Minister is able to shed any light on that in his remarks, it would be helpful.

We have raised the point in the past about whether there are other ways of dealing with the issue of the location of the properties. For example, the current rules require properties treated as furnished holiday lettings to be occupied for a minimum of 10 weeks and to be available for 20 weeks. By and large, we understand that—this was shown in the work produced by the Tourism Alliance—in the UK, those sorts of properties generally tend to be available for longer and occupied more than properties based elsewhere in the European economic area. Therefore, rather than scrapping the regime, if the minimum occupancy threshold was simply extended to more than 10 weeks—for example, to 15 or 20 weeks—the likelihood is that the Government could include most of the UK properties and exclude most of the EEA properties.

That would be a less disruptive change of regime than that proposed by the Government, which may have a knock-on effect on rural areas, as we have heard. I would be grateful if the Minister could say whether any work or research has been done on that matter and whether there are alternative approaches to dealing with the regime. The proposal depends on the numbers and the Treasury is well placed to do such research, but certainly the work produced by the Tourism Alliance suggests that such a system is a way of dealing with the matter.

Finally, very briefly, given the subject of the debate, I cannot resist highlighting the position of the Liberal Democrats on the broader issue of property taxation. I understand that the Liberal Democrats would scrap the council tax and replace it with a local income tax because the council tax is not based on ability to pay. That was certainly in their campaign at the last general election, and seems to be a move away from property tax per se. On the other hand, the policy of introducing a mansion tax on homes worth more than £2 million was announced at the last Liberal Democrat conference. That raises a few questions about how those properties will be valued, whether there will be distortions in the housing market, what would happen in relation to pensioners on low incomes and how improvements would be taken into account. The Liberal Democrats seem to be moving in favour of property taxes in that regard.

I recalled hearing a quote from the leader of the Liberal Democrats broadcast on "The Westminster Hour" on 29 November 2009, so I had a look for it. He stated that he has a

> "very simple philosophy. I think the tax system should reward work, initiative, enterprise. And it should discriminate against vested unearned wealth. That is why we are opening, if controversially, a new front in the tax debate to say, hang on a minute, if you have been sitting on a rapidly inflating asset in an exploding property market over the last 10-15 years, maybe you should chip in a little more."

That appears to be a move away from taxes on earnings to taxes on property, which may well be the general direction that the Liberal Democrats want to go in. We can debate whether that is right or wrong, but I am curious about how that is reconciled with a policy of moving away from a council tax system towards an income tax system. I shall leave that mysterious matter in the air. I am grateful to the hon. Member for St. Ives for raising an important issue and for initiating a helpful and informative debate.

3.34 pm

The Economic Secretary to the Treasury (Ian Pearson): It is a pleasure to serve under your chairmanship again, Mr. Cummings. I congratulate the hon. Member for St. Ives (Andrew George) on securing the debate and on the thorough and detailed way in which he presented his case.

I shall make a few introductory remarks about the importance of tourism to the UK economy and the need for affordable homes, both of which I recognise are hugely important to the hon. Gentleman and his constituents. As he will be aware, tourism is a crucial industry to the UK. I do not need to repeat some of the statistics because they are well known. However, I emphasise that the Government continue to provide support to the

industry and have provided £130 million between 2008 and 2012 for marketing Britain overseas, and England to the British. In addition, some £3.3 million to £3.5 million is being provided annually to the regional development agencies for tourism support.

Last year, we announced significant investment in skills in the tourism industry, including an additional £210 million to the sector through Train to Gain and £350 million to help small businesses—including small and medium-sized tourism enterprises—get the training they need through the economic downturn.

It is also important that we do what we can to encourage the provision of affordable housing. The hon. Gentleman talked about the politics of social justice, and affordable housing is certainly an area where the Government want to see social justice. We remain committed to the delivery of affordable housing, including through both shared-equity and shared-ownership schemes. We want to maximise our efforts in relation to the building of new affordable homes, and our low-cost home ownership programme is being directed at schemes that support new build homes. Over this year and next, we will be investing a further £1.5 billion to build an extra 20,000 new affordable homes for rent and low-cost home ownership. I hope that a number of those will be in the hon. Gentleman's constituency.

Let me turn directly to the property taxation issues that have been raised. I acknowledge the contributions made through interventions by the hon. Members for Falmouth and Camborne (Julia Goldsworthy), for North Cornwall (Dan Rogerson) and for East Londonderry (Mr. Campbell), and by my right hon. Friend the Member for Oxford, East (Mr. Smith). They all made useful contributions to the debate, which reflects the widespread interest in the issue—from the middle of England, to Cornwall, to the north and to Northern Ireland.

As we have discussed, hon. Members are aware that principal private residence relief means that the great majority of home owners do not pay capital gains tax when they sell their main home. That ensures that home owners have the flexibility to move home without the fear of incurring a tax charge. I understand where the hon. Member for St. Ives is coming from: he faces a particular problem in his constituency and he is suggesting that we ought to look at how the tax system is used in relation to second homes as a way of solving that problem. However, although that proposal might help to ensure that we have more affordable homes, particularly in his constituency, it does not work for the country as a whole.

The Government think it only fair that those making a capital income from property other than their main home should pay a fair share of that income in taxation, in the same way they would be expected to do if they were making a capital income from other assets. That is why CGT is charged on disposals of second homes and other properties, such as buy-to-let and commercial properties. As the hon. Gentleman is aware, we also ensure that those making smaller gains do not pay any capital gains. We have set an annual exemption amount worth up to £10,100, and married couples and those in civil partnerships can transfer assets to each other without incurring a CGT charge. The annual exempt amount means that they can make gains in the tax year of up to £20,200 without having to pay any CGT.

Given the difficulties in the market, and recognising that it might be more difficult for home owners to sell their previous homes, there is, as the hon. Gentleman is aware, an exemption from CGT for the final three years of ownership of a previous main residence, even if someone is living elsewhere. As he knows, that is the result of changes that took place in the 1980s and 1990s during previous recessions when people had difficulty selling their homes but found employment in other locations. We believe that that is fair and gives people a reasonable period in which to sell their previous property. The flexibility in the rules covers those situations in which people find alternative employment.

I understand the hon. Gentleman's points about flipping the main residence, but any change to the three-year rule would need to be considered carefully, as that could have unforeseen impacts on the housing market generally and would impose a tax charge on people who have to change their main residence for the reasons I have mentioned, and for many other valid reasons.

The hon. Gentleman also referred to the two-year period in which individuals may vary the nomination of their main home, and in response I say that people change their main residence for a wide range of reasons, and not just because of CGT impacts, although I appreciate his concern. They might not have tax at the forefront of their minds, especially if they have not disposed of any property. The period for varying the nomination of a main home gives people time to remember the CGT implications that they need to consider, and change their nomination if they want to. However, as the hon. Gentleman reported, my right hon. Friend the Financial Secretary to the Treasury will always keep those issues under close review.

Andrew George: I am grateful to the Minister for explaining the Government's thinking. Does he not accept that, as painful as it is to go back over the issue of flipping second homes for CGT purposes—perhaps for avoidance purposes—that matter is close to home for us in the House and that, for the majority of people in this country, it is unacceptable? If that has been going on with some Members, it will certainly have been going on much more widely. We are talking about a substantial income that this country is foregoing as a result of that ruse.

Ian Pearson: I want to draw a distinction between Members making a profit from their second homes, which has been the subject of much debate recently, and the wider operation of the three-year rule. That has been debated in Parliament on previous occasions, and a decision has been taken because people sometimes have to have two homes for a variety of reasons. Someone might have a job in Birmingham, for instance, and then decide to seek employment elsewhere, and because that is the only place they can work they need to have another main home there. It has been accepted for some time that flexibility is needed in that regard. We need to draw a distinction between the political situation that Members have faced—the hon. Gentleman knows that there has recently been a consultation on the principle of that, and that authorities are looking into it—and the wider issue of how CGT operates on residences other than the primary residence.

I will move on to the taxation of holiday lets. To ensure that any tax relief is targeted appropriately, and to provide a cost-effective tax system in which the tax

[Ian Pearson]

relief available is suitable for the type of activity being undertaken, UK law has for a long time established a separation of property income from trading income, and many of the hon. Gentleman's comments were really derived from that distinction and how it operates in practice.

Letting out furnished holiday accommodation is normally classed as a property income business, so to allow those who let out qualifying holiday accommodation to claim specific tax reliefs available to traders, we implemented the furnished holiday lettings rules. That means that those letting out holiday accommodation can obtain more flexible loss relief, additional capital allowances, certain CGT reliefs and relevant earnings treatment for pension purposes.

To address the points made by hon. Members on changes to the taxation of furnished holiday lettings, I will briefly set out why those were made, because much of that issue has been covered in the debate. It was announced in the 2009 Budget that those rules would be withdrawn from April 2010. That was a necessary change, given that the rules might not be compliant with EU law, as the hon. Member for South-West Hertfordshire (Mr. Gauke) rightly noted. After that change, furnished holiday lettings businesses will continue to calculate their business profits in much the same way as they do now. I believe that some of the issues raised, including those raised by people outside the House, are due to a misunderstanding, as many believe that this change takes away their entitlement to tax relief and their business expenses, such as mortgage interest, utility bills, the cost of repairs and employee wages. That is not true. They will still be entitled to all of those.

The withdrawal of the furnished holiday lettings rules will change the way tax relief is given for capital expenditure and for any losses incurred, but relief will still be available. It will also change the tax relief available when the property is sold. That might mean that the business will pay more tax on the sale, or that it cannot defer the tax it has to pay. However, business will not be disadvantaged when compared with others who sell properties that they rent out.

The alternative option, as has been mentioned, was to extend the special treatment to cover properties located in the European economic area but outside the UK, which would have channelled public money to businesses seeking to attract tourists outside the UK. That would not have been welcomed by the UK tourist industry. Indeed, it would have been a poor use of taxpayers' resources and would have extended the perceived unfairness in the treatment of property businesses, which might undertake similar activities differently. Instead, we have chosen to level the playing field.

I acknowledge that that change has not been universally welcomed by the tourism industry, but when we were considering the impacts of the changes, which were published in an impact assessment report, to which the hon. Member for Southport (Dr. Pugh) referred, alongside the pre-Budget report, we carefully considered the impact on the UK tourism industry. In our assessment, that will mean that many tourism businesses, including hotels, bed and breakfasts and those who let caravans or carry on material trading activities connected with the operation of the caravan site will not be affected by the changes. Also, those who let holiday property will still be able to make tax deductions from their profits, such as mortgage interest, costs of repairs, rates and utilities, and they will still get an allowance for capital expenditure.

The hon. Member for St. Ives referred to a meeting he had with the Financial Secretary to the Treasury on a particular case. I am not aware of the details of that case, but I will ensure that I follow it up and that he gets a speedy reply.

Andrew George: I should clarify that I have requested a meeting with the Financial Secretary to discuss that case. The primary point I was making was that at one end of the scale there are holiday parks of the type I have described, which are tantamount to a hotel dispersed around a park and therefore cannot in any way be described, as some people imply, as merely investment income. At the other end of the scale there are single properties that were originally purchases for investment or recreational purposes but that are simply used on a minimal basis in order to be able to take advantage of the business rating and other tax advantages. Surely the Government must be able to differentiate between those two types of uses to benefit genuine holiday letting establishments of the type I have described.

Ian Pearson: I understand what the hon. Gentleman says. I cannot comment on the specific example, but my understanding is that HMRC accepts that furnished holiday letting businesses that are akin to hotels are trading, and they will be taxed in the same way as other traders. However, letting businesses will be treated in the same way as other property businesses. It might be helpful if I give some examples that illustrate how the changes might work.

A is employed in the City and is a higher-rate taxpayer. He bought a property in Cornwall as an investment and intends to retire there. He lets the property as furnished holiday accommodation through an agent for 10 weeks a year and generally makes a loss. He has no other income. Currently, A can set his furnished holiday letting loss against his employment income, and so pays less tax in the year that he makes an FHL loss. After the FHL rules are withdrawn, he will be able to set his loss against future profits of his FHL business or any other rental income. Generally, there will be a timing impact: A will not be able to reduce his employment income tax bill in the year he makes the loss, but he will pay less tax once his FHL business returns to profitability. However, if his FHL business does not return to profitability, and if he does not have any other rental income in the future, he will not be able to claim tax relief on the loss.

B—let us call him Fred—is a farmer who has converted three barns on the edge of his farm into self-catered holiday accommodation. He generally makes a profit, but in one year he makes a loss. The impact would be one of timing. Instead of setting his FHL loss against his farming profits in that year or the previous year, he will set it against his FHL profits in future years. Fred will receive the same amount of tax relief, but he would get the relief earlier under the FHL rules.

Carol decides to sell her FHL property in order to buy a larger one and makes a £150,000 capital gain. Under the FHL rules, the capital gain can be rolled over into the larger FHL property, which means that the tax charge on the smaller property will be deferred until the

larger FHL property is subsequently sold. Carol will pay no tax on the capital gain now, but she will have a larger tax bill when she sells the new FHL property. Once the FHL rules are withdrawn, roll-over relief will still be available, but it will be limited on a time basis. Periods before April 2010 will qualify for roll-over relief, but periods after April 2010 will not. That means that Carol may have to pay some capital gains tax if she sells the smaller property after April 2010, but she may be able to defer a proportion of the gain until the larger FHL property is subsequently sold. For example, if she sold the smaller FHL property in April 2011 after owning it for 10 years, she could roll over nine tenths of the £150,000 gain, which is £135,000. Only £15,000 of the gain would be immediately liable for CGT.

Dr. Pugh: To get away from the singular to the general, a claim was made that £20 million in tax privileges has gone out of the FHL industry, or out of the tourism industry in general. Henry Aubrey-Fletcher, who is the president of the Country Land and Business Association, said that the changes were a bombshell that will cost the industry millions of pounds. It may be an inevitable bombshell because European legislation is what it is and we need to comply—or the Government feel that they need to comply—but is it the case that £20 million will come out of the industry and into the Exchequer? If so, what is the Treasury's anticipation of how that will affect the market?

Ian Pearson: I refer the hon. Gentleman to the impact assessment that we produced. Overall, we think that the costs are very small indeed. Giving some specific examples helps to illustrate how the changes will be implemented. Let me give a further example that relates to capital allowances.

Jo converts a barn that she owns into self-catered holiday accommodation. She spends £60,000 on qualifying plant and machinery and receives £12,000 a year in net rents. In year five, she sells the barn at a profit, at which point the plant and machinery are valued at £50,000. Under the FHL rules, in year one, Jo's taxable profits are reduced by £50,000 under the normal annual investment allowance. In year two, her taxable profits are reduced by £2,000; in year three, by £1,600; and in year four, by £1,280. In year five, her taxable profits increase by £44,880. That represents the excess capital allowances that she has received. As a result, over the life of the business, she was entitled to £10,000 tax relief for her capital expenditure. Under the wear-and-tear allowance in the new regime, her taxable profits are reduced by £1,200 a year. Over the life of the business, she was entitled to £6,000 tax relief for the capital expenditure.

One brief further example is of someone who owns a house, perhaps in the Lake district, which she lets furnished to a local family. They move out and the owner decides to convert it to furnished holiday accommodation. She spends £25,000 replacing the kitchen and the bathroom and redecorates throughout. She receives £8,000 a year in net rents. This is revenue expenditure, and so taxable profits are reduced by £25,000. Therefore, she makes a £17,000 loss. Under the FHL rules, no capital allowances are due. Under the wear-and-tear allowance, taxable profits are reduced by £800 a year.

Those examples show some of the complexity of this issue, but I think that they are helpful. People who run such businesses need to understand how some of the changes will be implemented.

I shall move on and cover some of the points that the hon. Member for St. Ives raised about council tax. I understand the spirit in which he raised them: he does not think that there should be any reduction in council tax for a second home. Local authorities in many areas where there is significant tourism have reduced the second home allowance to 10 per cent. I understand that he might make the point that even the 10 per cent. reduction should not be allowed. That is a perfectly legitimate point to raise and debate. As he is aware, under current legislation, there can be a 10 per cent. discount.

Overall, we have had a good debate. I appreciate the concerns of the hon. Gentleman's constituents, many of whom may be struggling to find accommodation at an affordable price in the area where they were born and brought up. That is an important policy issue, and the Government have sought to take steps to address it. We want more affordable housing in areas with high levels of tourism and in rural areas, and increased numbers of properties need to be made available so that our young people can get roofs over their heads at a price they can afford.

I do not believe that changing the second home allowance would provide the kind of solution that the hon. Gentleman suggests it might—it could lead to many unintended consequences. However, he rightly raises an important policy issue on behalf of his constituents, and it has been useful to debate it today.

Hastings Rail Service

4 pm

Gregory Barker (Bexhill and Battle) (Con): Following the huge disruption to local train services after Christmas, when snow and bad weather hit our rail system, the poor state of the railways and their failure to respond adequately to that bad weather event has been a hot topic in Kent and East Sussex. However, for my constituents in Bexhill and Battle, this winter has brought more concerns, not about the temporary cancellations caused by that weather event or by the delays, or by the chaotic information or the platforms that were not cleared of ice and snow, but because a huge axe is now hanging over an important part of the direct rail service to London as a result of the publication of the Kent rail utilisation strategy on 22 January, jointly developed by Network Rail and the Department for Transport.

The Kent and East Sussex RUS document focuses predominantly on the rail services in Kent, but the scope of the strategy also extends to the London to Hastings line. Effectively, Hastings and stations south of Tunbridge Wells to Hastings are the poor relations in a strategy that focuses overwhelmingly on the area over the county border in Kent. The track about which I am concerned heads south from London through Kent and crosses the East Sussex border south of Tunbridge Wells into my constituency and rural East Sussex, where it passes through stations in places that I represent—Stonegate, Etchingham, Robertsbridge, Battle and Crowhurst—before reaching St. Leonards and the terminus at Hastings.

The RUS document sets out proposals for changes to rail services over the coming decade, and at their heart lies the expansion and improvement of the fast inter-urban Thameslink service. Some £5.5 billion of investment is being pumped into the Thameslink project, with improved infrastructure, higher-speed lines, new trains and longer platforms. This is undoubtedly an exciting and hugely beneficial scheme—I do not want to knock it—but there is a big catch for my constituents and those who live south of Tunbridge Wells, because to make way for the new Thameslink trains travelling through central London, the RUS document proposes the removal of peak rail services between Hastings and London Cannon Street from 2015. That Thameslink service will only benefit passengers boarding at Tunbridge Wells and stations to its north who are going to London. It completely misses out my constituents.

The new Thameslink service would not be a problem if it simply replaced the current Cannon Street to Hastings service, but it will not do so. The lower power supply on the track south of Tunbridge Wells will not be enough to carry the 12-car Thameslink trains. Instead, the new service will terminate at Tunbridge Wells. In short, the RUS proposes to axe services to stations south of Tunbridge Wells all the way to Hastings. As a result, those stations will have their peak service to London cut by a third. Their only direct route to the City of London will be entirely removed. With no exciting Thameslink alternative to replace it, my constituents rightly feel that this represents a real downgrading of the existing rail service.

My constituents are being asked to sacrifice their vital link to London in return for the knowledge that others up the line will have a faster and more pleasant commute. To add injury to insult, the Hastings to Charing Cross service—the remaining two trains an hour during peak hours—will no longer have an extra four carriages added at Tunbridge Wells to accommodate the extra passengers who board further up the line. The existing system was designed to ease regular congestion. In other words, those services that are not being scrapped stand to become even more overcrowded. It is no surprise therefore that during the consultation on the RUS, Network Rail found that the London to Hastings line proposal was the single biggest issue that was raised.

What are the consequences? It should be borne in mind that East Sussex, contrary to popular opinion, is a poor county. Per capita income in East Sussex, just 50 miles from London, is equivalent to per capita income in Hull. The deprivation in Hastings is well documented. Time and again, this relatively rural and unindustrialised corner of the south-east is overlooked. The main road down from London to the coast through this area is still single carriageway for much of the journey, while to the east lies the much more prosperous country of Kent with its high-speed Javelin trains, and to the west lie Brighton and the Gatwick corridor, with fast trains down from London, easy access to Gatwick airport and the M23 and A23 enabling easy access to and from London.

For my constituency, the rail link to London has never been more important. Local economies and communities are disproportionately reliant on the resident commuters in comparison with other areas. The direct route to the City of London—the financial district where so many commuters work—is a crucial factor when people are deciding whether to move to the area and whether to stay. The removal of the direct rail link to London during peak hours may cause the commuters on the Hastings line to up sticks and move altogether, either up the track into the suburbs or towards Kent, into better-serviced areas, or west towards Brighton. That would be a disaster for my local towns and villages.

Like many others, I have written to the Secretary of State for Transport highlighting the great concern about these proposals. In a reply to me, the Under-Secretary of State for Transport, the hon. Member for Ipswich (Chris Mole) wrote that he was

"surprised you should expect the removal of just six trains a day"

to be enough

"to register sufficient socio-economic dis-benefits to cause a change in policy".

I am surprised that he should so underestimate the importance of a direct service for people working in the City when making decisions about the worth of a commute from outside London. I am also surprised that he underestimates the importance of these commuters and their families to the economies of these communities. That is why there has been so much correspondence from the parish councils, not only in my constituency, but in Wadhurst, over the border in Wealden. For that reason, my hon. Friend the Member for Wealden (Charles Hendry) is keen to associate himself with this campaign. The effect on those rural communities clustered along the line and on Hastings at the end of the line is not to be scoffed at.

The Minister's rather high-handed response to the letters he has received on the matter shows little consideration for the efforts put in over the years to try to transform the economy in this area by improving

connectivity to London and, in particular, for the work on regeneration that has been done by his Government to improve employment prospects, business conditions and economic opportunities in Hastings.

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I would understand the hon. Gentleman's point better had there been any suggestion that the all-day Hastings to Charing Cross service might be reduced or withdrawn. As it is, even if the RUS recommendation were implemented, the only dis-benefit is that the Cannon Street commuters would have to change trains at London Bridge.

Gregory Barker: It is clear that the Minister does not understand the point. What possible benefit is there of a midday, afternoon or mid-morning service up the line from Hastings to someone who works in London? What possible benefit is that to somebody who works in London and has to do a full working day? The Minister clearly does not understand the points that have been repeatedly made to him, not just by me, but by his many correspondents, including the leader of Hastings borough council, and East Sussex county council and many parish councils. The peak-hours service is crucial if we are to retain the business people and the commuters who work in the City or who need access to the City during the working day. It is not good enough either to ask them to then make an additional change at London Bridge on top of a 1 hour 20 minute commute or to expect them to face crowded trains because cars have not been added at Tunbridge Wells. I am afraid that the Minister's response is typical of the way in which he has dealt with this matter in correspondence.

It is clear from the representations that the Minister has received that a strong rail link to London and the City is vital for successful regeneration of the area. That is why Amber Rudd, the prospective parliamentary candidate for Hastings and Rye, has campaigned so hard on the issue. She wrote to me saying:

"The loss of the Cannon St service from Hastings would be particularly damaging for a town that already suffers from high levels of unemployment and low wages. The Cannon St commuters are some of the best paid in the town and losing that service would be disastrous for a community that needs the wages of these people to support other businesses in the town."

The community needs people who are economically active to live in it.

What are the solutions? We must retain the Hastings to London Cannon Street service, instead of diverting a service that might benefit from the Thameslink trains; we must procure eight-car Thameslink trains that can continue past Tunbridge Wells down the line to Hastings; procure 12-car Thameslink trains, which have a lower power draw, again allowing the trains to continue to Hastings down that part of the track with a lower power supply; and upgrade the power supply south of Tunbridge Wells to allow the proposed 12-car Thameslink trains to travel down to Hastings.

On the possibility of procuring eight-car Thameslink trains, the Minister has stated that he

"cannot contemplate the possibility of committing future operators to running 8-car peak trains into London Bridge in the peak hours—8 car trains simply do not carry enough people to be considered seriously as a long-term solution."

Despite that, he seems content with the prospect of the existing Hastings to Charing Cross Southeastern service no longer having extra carriages added at Tunbridge Wells but having eight cars all the way through to London. Will the Minister clarify whether or not eight-car trains are acceptable?

I impress on the Minister the importance of the direct rail service to Cannon Street. The commute to East Sussex is a long one, and at the margin of acceptability for people considering doing it daily. It is a tenuous commute—it is not like commuting from Sevenoaks or Tunbridge, where there is a rapid, regular and easy service. People in Hastings and the villages clustered around it are at the margin, and any further disruption to that service will seriously compromise their ability to travel to work in a reasonable time, and to access their workplace without undue hassle or the uncertainty that comes from having to change trains. We all know that if a journey to London requires a change, one must allow not just the additional time for that journey, but build in a significant buffer element to allow for disruption or delay at the transfer station. Changing at London Bridge station is not an attractive option. It is viable to do so, but it would not be an attractive option for commuters, and would make all the difference between whether people chose to commute from Hastings and stations south of Tunbridge Wells.

I urge the Minister to take on board the representations that he has received. Crowhurst parish council has written to him saying that the

"route provides a direct link to the City from Crowhurst and its existence is an important factor for many residents when they decide to move to the area, or indeed stay here. Commuters are a very important part of the economy and social infrastructure in the area and any deterioration in the existing service will have a serious impact on the East Sussex economy generally, and Crowhurst in particular.

Highlighting this proposal in the Strategy is likely to have a damaging effect on the local economy in anticipation of the loss of the service."

That came from Mrs. Pat Buckle, clerk of Crowhurst parish council.

There is a chink of hope, because the Minister has insisted that the RUS document is advisory at this stage, which is encouraging. He has also suggested that we should wait until 2012, when the specification for the next franchise will commence, but procurement of the Thameslink trains is already under way. Of course, we could wait until 2012, but the decision would, de facto, be made for us. The Thameslink trains will have been bought and they will all be 12 cars.

We need a wider, more forward-looking picture of the future of our railway system. If we always put off decisions until the deadline is upon us, if we only ever look with blinkers at one area and one network at a time, and if we never take wider account of the unintended consequences of policy, that will be at the expense of a sensible, efficient and fair rail service. Time and again, the Hastings to Cannon Street and Hastings to Charing Cross line is overlooked because the Department for Transport, under this Labour Government, deems it a poor relation of the more exciting, more attractive and larger Kent railway system. I do not begrudge the services from Ashford, and I am delighted that we now have access to the channel tunnel rail service. I am delighted that there is a faster service to London from Brighton, but I constantly question whether the Department understands the importance and significance of the rail service on the Hastings to Charing Cross and Cannon Street line.

It is understandable that track pathways in the London Bridge area are congested and that existing services must be displaced to make way for Thameslink trains, if Thameslink is required. I would be interested to know what demand there is to travel to Bedford from Tunbridge Wells. I have certainly not heard of anyone who is desperate to make that journey. Yes, it may be difficult to find a solution that will benefit suburban commuters without penalising the rural commuters of East Sussex, let alone improve their service, but surely that is all the more reason to tackle the problem now and not put it off until 2012 or later, by which time the Government's hands will be tied. Will the Minister at least assure me that his Department will consider seriously and urgently the options now, while the RUS is fresh, while it at least has the appearance of a consultation document, while investment decisions have yet to be made, and while long-term action has yet to be determined?

4.17 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): It is a pleasure, Mr. Cummings, to serve under you as Chair, as we used to share a role on a former Select Committee. I congratulate the hon. Member for Bexhill and Battle (Gregory Barker) on securing this debate and providing an opportunity for the House to discuss the route utilisation strategy for Kent that Network Rail published recently. I understand his concerns about the future of rail services on the Hastings line—indeed, my hon. Friend the Member for Hastings and Rye (Michael Jabez Foster) has spoken to me about the matter. I intend to demonstrate in the next few minutes why those concerns are misplaced.

I begin by reminding the Chamber of the purpose of route utilisations strategies. They provide a strategic framework and recommendations which guide the rail industry's development of plans for train service changes and investment, but they are not firm commitments to implement changes. Early RUSs were prepared by the former Strategic Rail Authority, but in 2004 in the White Paper, "The Future of Rail", the Government explained the rationale for transferring responsibility for production of RUSs to Network Rail as part of its enhanced role in co-ordinating the industry's planning and delivery. However, the same White Paper and the Railways Act 2005, which followed from it, made it clear that the specification of rail services would remain with the Government.

Production of a RUS takes around 18 months, and involves stakeholders from across the rail industry, including passenger and freight train operators, and passengers' representative bodies, such as Passenger Focus. Although the Office of Rail Regulation and funding bodies, including the Department for Transport, have been represented on RUSs' stakeholder management groups, we have sought not to restrain the industry players from developing their own ideas and drawing their own conclusions. That should not be portrayed as lack of interest on the part of the Government.

During the preparation of a RUS, details of current train services, levels of demand, infrastructure constraints and performance records are collated, and future demand forecasts are prepared for the stakeholder group members. Any gaps between demand and physical capacity are identified, and options are developed to address them. A key requirement is that the options are subject to economic appraisal, and consideration of affordability and strategic fit with other schemes. Any scheme that fails to achieve a satisfactory benefit-cost ratio is discarded. That allows a draft strategy to be produced and, following formal consultation and further refinement, the final RUS is published.

The final Kent RUS was published in January this year. It covers the heavily-used commuter routes between Kent and London, together with more lightly-used routes in Kent. It also considers the potential role of the High Speed 1 line in providing additional capacity to relieve the classic network. Unsurprisingly, the most difficult issue in the Kent RUS area is providing sufficient train capacity to meet the forecast level of commuting into London. The Kent RUS forecasts that peak demand will continue to outstrip capacity on the main routes into London during the next 10 years. There is limited scope for running extra trains on the classic network, and many trains are already at the maximum practical length of 12 cars. However, the RUS has identified some scope for train lengthening to provide additional capacity, particularly in the two hours either side of the peak rush hour.

One of the common findings of the route utilisation strategies that Network Rail has completed so far is that, in many cases, the ultimate constraint on the capacity of a route is the physical capacity of its London terminus. The obvious alternative to expanding those stations at ground level is to go underground and continue the railway under London. That expedient led to the inception of both London's major rail infrastructure initiatives—Crossrail and Thameslink—which have been taken forward by this Government. Thameslink is relevant to today's debate, and the Kent RUS assumes implementation of the Thameslink programme, which will enable new 12-car trains to run between various locations in Kent and routes north of London. The Thameslink programme will provide the next significant upgrade in the capacity of the railway, from not only south London, Kent and Sussex, but the northern home counties. I note that the hon. Member for Bexhill and Battle said that a Thameslink train is a satisfactory alternative. If he accepts that for passengers for Cannon Street, they will have to change at London Bridge.

For all their virtues and benefits, Thameslink and Crossrail force some compromises on today's accepted standards of rail travel. One is the design of the trains, which will have to be suitable not only for the requirements of medium-distance commuters and leisure passengers, but for the demands of high-frequency metro services. That means that the trains have to be capable of carrying very high volumes of passengers in tolerably decent conditions for short distances, as well as smaller numbers of people seated for longer distances. The result will be fewer seats per carriage than we would normally expect for national rail trains, but more than we would normally expect for an underground train, so most people can be satisfied most of the time.

Gregory Barker: Does the Minister honestly believe that it is acceptable that people who are travelling for between an hour and 20 minutes and an hour and 30 minutes should not be guaranteed a seat?

Chris Mole: It is accepted that in metro services, people joining from further afield will generally have access to a seat, although those who join later on the

journey are unlikely to get a seat for a short distance and will have to stand. That is an understood aspect of metro rail services the world over.

Gregory Barker: That is only coming up the line. What about going back down it?

Chris Mole: As I said, that is an accepted feature of the operation of metro services in the UK and worldwide. I must return to the point. As I made clear to the hon. Gentleman, the procurement of these trains is at an advanced stage, and I expect that one of the Government's first tasks after the next general election will be to announce the preferred bidder for those trains. To alter any aspect of the specification of the new trains at this late stage would entail cancellation of the procurement, and delay the arrival of new trains on the network by two years or more. That would create complete disruption for those who anticipate relief from overcrowding.

What does that mean for passengers on the Hastings line? Just as with the sizes of the London stations, many of the difficulties on that line have been bequeathed to us by the early generations of railway pioneers. The extension of the railway from Tunbridge Wells to Hastings in the 1850s was completed in a hurry by the South Eastern Railway company to compete with the London, Brighton and South Coast Railway, which had established a presence in Hastings through a line along the coast from Eastbourne. It is said that when extending the line south from Tonbridge towards the coast, South Eastern Railway's contractors cheated the company by building the seven tunnels through the sandstone hills of the Weald with four layers of bricks instead of the customary six layers. That was not discovered until the Wadhurst tunnel collapsed in 1862—I do not know who were Government at the time, but it was certainly not this Government. It was too expensive to re-bore the tunnels, so the South Eastern Railway company simply added the two missing layers of bricks. That, of course, reduced the width of the tunnels, and for over 100 years meant that the line had to be operated with specially-commissioned, narrow-bodied rolling stock. It also meant that electrification of the route came later than it did to neighbouring routes, partly because there was insufficient space in the most restricted tunnels to install electrified rails, and partly because there was no narrow-bodied electric rolling stock.

The most recent solution to all those problems came in 1986—I know who were in Government then—when the narrow-bodied Hastings diesels reached the end of their days and electrification became inevitable. The solution was to make the track single through the tunnels so that the electrification rails could be installed and conventional electric trains could be run. However, as I said, that was in the 1980s, with a Government who famously did not believe in the future of railways, and who ensured that every line of every investment proposal by the British Railways Board was challenged for every last pound. The result was that the railway that had been built in a hurry in the 1850s was electrified on the cheap in the 1980s. Only two trains an hour ran in each direction, and they did not need to be more than eight coaches long. The electrification scheme was designed down accordingly.

In 2009, when developing the Kent RUS, Network Rail came to consider the conundrum that on the one hand the Thameslink rolling-stock procurement programme depends on 12-car trains to satisfy its capacity objectives, while on the other hand there is an important stretch of railway on which Network Rail believes that the power supply is capable of supplying only enough power for traditional eight-car trains. Furthermore, in order for the Thameslink programme to deliver its maximum number of 24 trains per hour through London Bridge at the height of the rush hour, the number of trains into Cannon Street has had to be reduced from 25 to 22. Faced with a combination of circumstances that required all Thameslink trains to have 12 cars, Hastings trains to have only eight cars, and three trains to be withdrawn from Cannon Street, it is perhaps unsurprising that the Kent RUS recommended that the Hastings to Cannon Street trains be withdrawn.

My postbag in recent weeks has contained a large number of letters from organisations and individuals—such as those referred to by the hon. Gentleman—who believe that the threat of such changes will be enough to provoke some City commuters to seek to live elsewhere. It is unfortunate that some of those letters have found their way into the local press, which is the surest way of ensuring that the prophecy will be self-fulfilling. Even so, I find it surprising that people would forgo the opportunity to live in the towns and villages of east Sussex simply because they had to change trains at London Bridge.

However, the fact that the RUS has made a recommendation on the Hastings to Cannon Street service is far from the end of the story. It is clear that my correspondents do not understand the underlying principles behind the Railways Act 2005, so I am glad to have this chance to remind people that the railway is now publicly specified, albeit privately delivered. That means that when the time comes, the Government will make the final decision on whether to require the relevant train operator to run direct trains between Hastings and one or more of the City stations. The time for that decision does not come until the existing integrated Kent franchise—which requires the operation of those services at least until March 2014—is due for replacement. The Kent franchise is due to run until 2014. The Thameslink franchise runs until 2015, and the Thameslink programme will not require any revisions to train services before the end of 2015. Decisions about what services those franchises will be required to run will not be taken until 2012, or even 2013. Our practice has been to expose decisions about the content of franchises to full public consultation.

What alternatives will face the Ministers on whom those decisions will fall, probably late in 2012? First, they could adopt Network Rail's proposal to withdraw the three trains in the morning and four trains in the evening that run direct between Hastings and Cannon Street. Scrutiny of the loading records of those trains suggests that although there is plenty of demand for most—if not all—of them, withdrawal or redirection of one or two might make sense. Those loading records also make it quite clear that running eight-car trains into London Bridge is unsustainable as a long-term option.

Secondly, Ministers could decide to divert the trains to Charing Cross, changing trains at London Bridge. If Cannon Street is the final destination, that is not a huge problem. Thirdly, despite today's power-supply problems with 12-car trains south of Tunbridge Wells, it remains

[Chris Mole]

likely that the new Thameslink rolling stock will be able to run through to Hastings. Not only will the new Thameslink stock be lighter than its present day counterparts, it will have the capability to regenerate the energy used in braking, thus reducing its net power draw by at least 15 per cent. Those issues need to be worked through in detail with Network Rail over the coming years. As the first input for the decisions to be made in 2012 or 2013, we have a recommendation from the RUS. Over the next two or three years, there will be many more inputs from several sources, leading to a final train service specification for the next generation of Southeastern and Thameslink franchises.

I encourage the hon. Gentleman and his constituents to engage with those processes in order to secure the best possible services for the people in the areas of Hastings, Bexhill and Battle.

Mongolia (UK Relations)

4.30 pm

Mr. John Grogan (Selby) (Lab): I am a very happy man this afternoon for three reasons. First, it is my birthday and I am not yet 50—I am well under 50, one might say. That is one good reason to celebrate. Secondly, Mr. Cummings, if I had chosen the Chairman for the debate from the Chairmen's Panel myself, I could not have chosen a better man than your good self—a fellow member of the all-party group on Mongolia, a visitor to Mongolia and possibly the only other Member of the House who has had an intern or member of staff from Mongolia in the past, just as I at the moment have an intern from Mongolia called Mr. Bakhyt, who has assisted me with preparation for the debate.

Thirdly, looking back in the annals of this place, I find it hard to place a previous debate on Mongolia, certainly in recent times, yet the United Kingdom has a proud record of relations with Mongolia, dating from when we were the first nation in the west to recognise Mongolia, in 1963. When the previous Prime Minister, Tony Blair, met the Mongolian President in April 2007, part of the declaration stated:

> "This long association has given the UK a special position in Mongolia, with the Mongolians looking to Britain for advice in their transition to democracy and a market economy."

Therefore, I thought I would use the minutes available to me to list 10 basic facts about Mongolia—some perhaps surprising, some perhaps well known and all of them pretty well known to you, Mr. Cummings. The first is that Mongolia is now a proud democracy. That is something we share with the nation of Mongolia. It is something not only to be proud of, but to be cherished in the part of the world where Mongolia is situated. One cannot really say the same about China. One cannot say the same about Russia. Mongolia became in effect independent in 1911, when the Chinese left. It was the second nation to become a communist nation after the Soviet Union, and was dominated by the Soviet Union for many years. It suffered dreadfully through Stalin's purges and the oppression of Buddhism.

If we fast-forward to 1990, Mongolia was not perhaps the most likely candidate to be an emerging democracy, but in 1990, as the Russians pulled out, 3,000 people gathered in Sukhbaatar square in Ulan Bator and demanded democracy and, within a few weeks, democracy had begun to emerge. Since then, we have seen the rotation of power quite regularly. Fairly recently, we saw the transition of power from President Enkhbayar of the Mongolian People's Revolutionary party, which is a sister party to the Labour party, although it is having a healthy debate about its name at the moment and whether it is time to go back to the party's original name, which was the Mongolian People's party. It is perhaps the only example remaining of a party that existed under communism that has modernised and retained the support of a large proportion of the population. Anyway, President Enkhbayar lost the election and there was a peaceful and successful transition of power to President Elbegdorj, who was involved in 1990 in some of the demonstrations for freedom.

At the moment, there is a Government involving both main parties. There were some very unfortunate riots in July 2008, following the last parliamentary

elections. That was a big shock to the political system. A number of people died, and I think that all political parties realised that they had to govern in the interests of all the people of Mongolia. The coalition emerged from that and was a specific Mongolian response to that time. There is a free media. The elections are judged to be free and fair by international standards. There is still much to do on combating corruption and improving the judicial system, but Mongolia holds its place among the democratic nations.

It is perhaps worth mentioning that when the United Kingdom recognised Mongolia in 1963, a previous Member of the House called Sir Fitzroy Maclean, who some people say was Ian Fleming's inspiration for James Bond, wrote an article. He was a Member of the House until the 1970s. The first lines of the article were:

"As far as I can remember, I first became aware of the existence of Outer Mongolia twenty-five years ago, in Moscow. Idly looking through the list of my fellow members of the diplomatic corps not long after my arrival there, I came upon the Legation of the People's Republic of Outer Mongolia, headed by the Minister, Monsieur Sambuu, and at the next official reception I was able to identify him by his characteristically Mongolian countenance and his charmingly Mongolian-looking wife."

That could almost be something from an Ian Fleming novel, but at the time it was an extremely progressive move by the British Government to recognise Mongolia. We had an enormous embassy there at one stage, which I suspect was full of spies rather like James Bond as much as diplomats during the cold war, but that has stood us in good stead and it brings me on to the second point, which has to do with the economy.

It is perhaps not known widely in the House that various newspaper articles, particularly in the financial press, have recently been comparing Mongolia to Dubai. That was before the Dubai crash; they were saying that it would be the new Dubai. The comparison was made on the basis of Mongolia's small population of just 2.5 million people and its rich mineral resources. Its gross domestic product per head is only about $2,500, but it is rising. Currently, the economy is largely based on mining, which dominates the industrial sector, and on agriculture. Just before Christmas, an historic agreement was reached for the Oyu Tolgoi mine, which is a complex in the Gobi desert. It has a mixture of copper and gold. Ivanhoe Mines, the Canadian mining company, was leading on that, but Rio Tinto has a stake in the mine that could rise to nearly 50 per cent. should it so choose. That means that there is very much a British interest.

It is important to note that the Mongolian Government have retained a 34 per cent. stake in the mining company. There has been a long debate in the country about ensuring that the local population get proper benefits from mining. People there have looked at the experience of other countries, perhaps where the local currency has appreciated, destroying the rest of the manufacturing sector, and I think that all political parties in Mongolia are determined to ensure that ordinary Mongolian people get a benefit.

The mining complex to which I am referring is huge. There are 440,000 metric tonnes of copper and 337,000 oz of gold there, and it is just one of many potential deposits. The Tavan Tolgoi coking coal mine is not too far away. The Government have said that they would prefer to retain ownership of that, but involve foreign companies in extracting the coal. Altogether, there are possibly 8,000 deposits of 440 different minerals across Mongolia and only 200 of those are currently being exploited.

However, that is only part of the picture of Mongolia, because half the labour force still work in the countryside. Just under half live in Ulaanbaatar and a good deal of the rest live in the countryside. Some 250,000 families have extensive livestock. Three quarters of those rely entirely on the livestock and their income from them. It is worth mentioning at this point that one reason why I wanted to have the debate now was that this has been a very harsh winter in Mongolia and more than 1 million—perhaps 1.7 million—livestock have died. The very heavy snow has followed the drought of last summer, which is the worst possible combination because food has not been stored up for the livestock.

The United Nations warned just a few weeks ago in late January that Mongolia's severe weather threatens lives. The statement said that 19 of Mongolia's 21 provinces had been hit by heavy winter snow and temperatures that had plunged below minus 40°. That puts our own winter in context. The UN's resident co-ordinator in Mongolia, Rana Flowers, said:

"The poor did not have the resources to stockpile food or fuel for heating and the supplies in the now inaccessible villages as a whole are stretched."

I am very pleased that the European Union has responded, and that the United Kingdom is playing a major role. The Mongolian President met José Manuel Barroso a few weeks ago. The EU has increased aid, pledging €150,000 to help Mongolia tackle the severe winter. Mr. Barroso also said that that the EU plans to increase assistance by 40 per cent. to €5 million a year, or $7 million, to support the Mongolian national development plan. It is worth noting that extensive efforts are being made in London. The Mongolian Association in the UK is organising a dinner at the Renaissance Chancery Court hotel to raise funds to help with the difficulties suffered in Mongolia.

I am aware of the time, Mr. Cummings, so I shall rattle through the remainder of my 10 points to enable the Minister to reply. It is a matter of pride that the Mongolian President recently took the brave decision to abolish the death penalty. Since coming to office, he has commuted all death sentences to a 30-year jail sentence. That was not an easy thing for him to do. I hope that the Mongolian Parliament will debate the matter in the near future, and that it will back the President and abolish the death penalty for good. That was a difficult decision, but it is a measure of the quality of debate on human rights that is now occurring in Mongolia. It is worth noting that the hon. Member for Orkney and Shetland (Mr. Carmichael) has tabled a motion commending Mongolia on that action, which has been signed by 33 Members.

It would be remiss of me not to mention Genghis Khan, the Mongolian national hero. A few years ago, we celebrated the 800th anniversary of his rise to power; he united the Mongolian people and conquered most of the known world. A recent study suggested that Genghis Khan's direct descendants constitute 8 per cent. of men in a large part of Asia, and 0.5 per cent. of the world's population. His reputation is twofold—he was obviously a conqueror, but Mongolian people take great pride in the fact that he introduced the rule of law, written

[Mr. John Grogan]

language and education. Some of those traditions have lasted down the centuries, so his legacy is in many ways a positive one.

I invite any Members who want to come to the annual reception of the all-party group on Mongolia on 8 March in this place, and I am sure that you will attend, Mr. Cummings, if you can. We are also having a joint seminar on the Mongolian economy with the British-Mongolian chamber of commerce, which I co-chair with the hon. Member for Banbury (Tony Baldry).

Tourism has great potential in Mongolia. I understand that about 7,000 British tourists a year visit Mongolia. It is a starkly beautiful country. I hope that MIAT, the Mongolian airline, will introduce direct flights to Ulan Bator before too long, which would reduce journey time to about nine hours. Mongolians coming here realise that they will need visas and to meet the necessary requirements, but I hope that our embassy in Beijing and the subcontractor that considers visa applications will be aware of the different context for Mongolia. I know that there have been various discussions at an official level about that.

The sixth point is that Leeds and Mongolia have many links. Cashmere cloth was supplied to Burton's factory in Leeds, and the previous President of Mongolia was educated at Leeds. Point number seven is that we should not forget our military links. Mongolia has an efficient army, which has been in action alongside British troops in Iraq and Afghanistan.

As for sport, it is a matter of fact that Mongolia is one of those nations that voted at the last minute for London to host the Olympics. It rejected the blandishments of Paris, and we are eternally grateful for that. Mongolia won its first gold medals at the Beijing Olympics and it had a team of two in Vancouver, but I think we will have plenty of boxers, wrestlers, judo players and archers in London.

Point nine is that many institutions in Mongolia look to Britain for advice and examples. The old public service television channel has remodelled itself on the BBC, and is independent of Government. The Education Minister, who visited Britain only a few weeks ago, is very keen to introduce some of the Cambridge education board's standards to Mongolia.

I pay tribute to some of the people who have been crucial to relations between Britain and Mongolia in recent years. Mr. Altangerel is the Mongolian ambassador, and Mr. Davaasambuu was his predecessor; and Mr. Bill Dickson is our ambassador in Mongolia.

I end with what may be a little-known fact—that the Mongolian community in London and worldwide celebrated its new year last year. The dates are not the same as the Chinese new year. It is appropriate for the House to wish a happy new year to all Mongolians who contribute to London—at least 6,000 or 7,000 of them study or work here—and also to the people of Mongolia.

4.46 pm

The Minister for Europe (Chris Bryant): It is a delight to serve under your chairmanship, Mr. Cummings, not least because of something that I did not know—that you are interested in Mongolia and are committed to the cause.

I pay tribute to my hon. Friend the Member for Selby (Mr. Grogan). Given the many activities that he undertakes in the House, I find it difficult to believe that in a few months' time he will no longer be a Member. I hope that the House manages to find a suitable replacement for him as chairman of the all-party group on Mongolia, even if it is a pale imitation. All-party country groups do an invaluable job not only for Parliament but for British interests. They maintain long-standing relationships, which Ministers, who change with monotonous regularity and ludicrous frequency, sometimes find more difficult to achieve.

I congratulate my hon. Friend on his birthday. He said that Mongolians celebrated their new year last year. They celebrate it every year; I think that he meant last week. I too wish them a happy new year.

As my hon. Friend said, Mongolia has a proud and long history. The Mongol state was created by Genghis Khan in 1206. My hon. Friend alluded to the country's legal systems and the rights of the individual, which may seem to have been lost during the years of Soviet domination. However, they are now flourishing in a way that has not been possible for many years. The Mongolian People's Republic, founded in 1924, gave way to the democratic revolution in 1990. That may have had many strengths, but we all recognise the dramatic improvements that have come about in the short time since 1990.

We should remember that Mongolia is not a wealthy country. It is the 19th largest country in terms of its geography, but the most sparsely populated. As a result it faces particular difficulties. My hon. Friend referred to the problems that Mongolia has had over the past two years—the drought and then the zud, which is the Mongol name for the very harsh winter that the country has suffered this year. I was in Moscow last week, and it felt cold enough at minus 10° C. The temperature in 90 per cent. of Mongolia is between minus 35° C and minus 40° C. That is very rough. As we heard, more than 1 million animals have died, which represents about 2 per cent. of the country's livestock, 73 people have been transferred to hospital for frostbite and a couple of people have died. Such events are not new to Mongolia; they occur regularly, as do the problems in relation to drought. When we talk about the effects of climate change, we tend to focus on the bits of the world that we know best, but we also need to consider areas such as Mongolia. People tend to think that the warming of the world will be a good thing, but there is a real danger that Mongolia will suffer from further levels of drought, and that the intensity of the winters will get worse rather than better. Yet again, we have another reason why we need to tackle the important world issue of climate change.

The one issue that my hon. Friend did not refer to was the festival of Naadam, which runs from 11 to 13 July. It is a big, important festival that is specifically Mongolian. In this House, we rarely sit down and write the rules of football, but I gather that at last year's discussions the Mongolians decided to change some of the categories and awards that are given for success in the three main parts of Naadam, which are archery, wrestling and horse racing—long-distance horse racing and not our polite version of going around a track once.

My hon. Friend also referred to the BBC and the reforms that have been introduced in Mongolia in relation to broadcasting. He is absolutely right; there are now some 300 different outlets, including broadcasting and newspapers. That is a very important part of ensuring that the 3 million people who live in Mongolia have not just the structures of democracy but the freedom of expression and association that go with them. Anything that we can do to help in that process, we stand ready to provide.

My hon. Friend also referred to the issue of the death penalty. I wholeheartedly congratulate the President on bringing forward his announcement on 14 January of a moratorium on the use of the death penalty and of its abolition from 2011. Such an announcement must have been of particular delight to him because he first brought forward a resolution on the matter—unsuccessfully—in 1991. To be able now to abolish the death penalty in Mongolia is a very dramatic personal achievement. He has invested a great deal of his political life into ensuring that all Mongolians can enjoy the same human rights as those elsewhere in the world, and it is a significant achievement. Those who have already been sentenced have had the death penalty commuted to 30 years' imprisonment.

In 1993, we were the first country to open up diplomatic relations with Mongolia and we are very proud of that. We have a strong relationship with the country, thanks to our commercial links. Changes in the investment law will mean that not only will Rio Tinto be able to open the mine at Oyu Tolgoi for copper and gold, which could be worth something in the region of $300 billion, but there will be significant extra possibilities for a whole range of other British companies that would like to invest in Mongolia. There are many other countries in the world that would benefit from a similar change in the law. If Mexico, for example, went down the same route as Mongolia and changed its investment laws, it might be possible to extract some of the oil that is presently available in the Gulf, for the benefit of Mexicans.

We have had a large number of high-level visits recently. The Minister for Minerals and Energy visited in December and saw the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Bury, South (Mr. Lewis), who would normally be here to lead this debate, but is abroad. He also met Ministers in the Departments for Environment, Food and Rural Affairs, of Energy and Climate Change, and for Business, Innovation and Skills to discuss climate change and business developments. Last February, the Minister for Education, Culture and Science also visited the UK and, as I understand it, had particularly interesting discussions with colleagues in Cambridge. In January, the Duke of York had a bilateral meeting with the President of Mongolia at Davos where he was awarded an honour for his continued service to Mongolia. I am absolutely certain that if Mongolia was to give out any more awards, the next one would go to my hon. Friend the Member for Selby.

I am grateful to my hon. Friend for raising this debate today. We are conscious that we need to do more to reinforce our relationship with Mongolia. I am delighted with the recent formation of the UK-Mongolia chamber of commerce, of which my hon. Friend is vice-chair or vice-president. We look forward to working closely with it to ensure that the reciprocal interests between Mongolia and the United Kingdom are upheld, and I look forward to attending the presentation of the honour from Mongolia to my hon. Friend.

Question put and agreed to.

4.56 pm

Sitting adjourned.

Westminster Hall

Thursday 25 February 2010

[JANET ANDERSON *in the Chair*]

Rail Fares and Franchises

[Relevant documents: Eighth Report from the Transport Committee, Session 2008-09, HC 233, and the Government Response, HC 1004, Session 2008-09.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Kerry McCarthy.)*

2.30 pm

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The Select Committee report that we are discussing reflects long-standing concerns about the rail franchise system and rail fares, and follows previous inquiries on those topics in 2006. The key issues for consideration are the absence of any real transfer of risk from the public to the private sector, a complex and expensive fare structure for many, and inadequate passenger support services that are seen to be at risk at this time of recession.

The inquiry was held as the recession impacted on rail, and one of the consequences was to make the 9 to 10 per cent. passenger growth projections anticipated in the last rail franchise round unrealistic. Indeed, while our inquiry was sitting, it was reported to the Public Accounts Committee that several train operating companies were displaying what the Department for Transport called red-light warning signals. Specific concern focused on the east coast main line, which had already lost one franchise operator when GNER defaulted and National Express was awarded the contract. At our meeting on 17 June 2009, the Secretary of State for Transport, Lord Adonis, assured us that no TOC was reporting financial difficulties or seeking renegotiation of its contract. Our Committee strongly holds the view, which we reiterated at the time, that franchise operators in trouble should not be permitted to renegotiate what they had agreed.

Two weeks later, on 1 July, it was announced that the Secretary of State had refused National Express's request to renegotiate contracts on the east coast main line. The contract was to be relinquished, and the Government would establish a publicly owned company to run the east coast main line service until refranchising in 2010. The Transport Committee supported that decision—we had made strong representations against renegotiation—but we stated clearly that we wanted the franchise to remain in the public sector so that there could be a comparator for private sector franchises. We were told that that would require new legislation, but we have not seen any intention to go ahead with it, which we certainly regret.

What are the key issues in our report, and where are we now with the major points that were raised including, first, the important question of risk to the taxpayer? There is still a lack of information about the financial stability of the franchise operators. This is of particular concern in the current economic climate and for the medium-term future. It is important because the level of contingent liabilities in transport is high, and much of it relates to rail.

In essence, the cap-and-collar revenue and risk-sharing agreement keeps the financial risk with the taxpayer. TOCs should not be allowed to escape their responsibilities through special vehicle financial arrangements if they default. We felt that National Express should not have been able to retain its two other franchises if it defaulted on its commitments on the east coast main line, but it appears that the franchises are to be allowed to run their course, although extensions that might have been agreed will be denied.

Stephen Hammond (Wimbledon) (Con): I have listened carefully to the hon. Lady. I wonder whether she would care to give the Committee's view on this. As I understand it, the special purpose vehicle was not connected to the holding company as a direct result of the initial franchise negotiation. It was because of the way that franchising is undertaken, and not something that is necessarily a fault of the company. The fault is with the negotiation that was done at the time of the franchising renegotiation.

Mrs. Ellman: I thank the hon. Gentleman for his comments. The Committee has continually criticised the way in which franchise agreements have been put together, and our comments deal with that. This goes back to the question of risk. If some of the thinking behind the franchise arrangements is that the burden of risk should be transferred from the public to the private sector but the franchise arrangements do not reflect that, the criticism lies with those who arrange the franchises.

Stephen Hammond: I thank the hon. Lady for that answer on risk. Again, this goes to the heart of what franchising is. Relatively short franchises are set up under special purpose vehicles. Does she accept that if they were set up so that the franchise is against the holding company, there would be a heavier element of risk to the company, with the obvious result that the Government would see less in premiums? What is the Committee's view on that?

Mrs. Ellman: I thank the hon. Gentleman for his additional comments. The Committee has always been concerned that if the premiums demanded were too high and risked reducing services or jeopardising the TOCs, that, too, would be an error in the franchising process, and we have drawn attention to that in previous reports.

Our report also deals with passenger services and the threats to them. The range of services includes refreshment facilities, station security and booking offices, the provision of which impacts on passenger safety. There have been many complaints about TOCs trying to reduce passenger services in an attempt to reduce their costs and, in some cases, the Secretary of State has stepped in and not allowed that to happen. Passenger Focus, which does excellent work in the interests of the travelling public, has highlighted these issues, and it is encouraging that the new chairman of the Office of Rail Regulation, Anna Walker, has made public statements expressing her concern about the reduction of passenger services.

We welcome the inclusion of important passenger services such as improved stations, added CCTV, and cycle and car parking in the new South Central franchise for Southern Railways. We hope that it will be a model for future franchises. Recent statements by the Secretary

[Mrs. Ellman]

of State encourage us to think that that might be the case. I shall make particular reference to the recently published Department for Transport document, "The Future of Rail Franchising", which discusses passenger services, the length of franchises, risk—many of the matters referred to in our report—and three new franchises that are under consideration. We would like the proposals in the document to relate to franchises as a whole, and I shall refer to that later in my contribution.

The third area that we looked at was fares. We repeated our long-standing, strong concern about the complexity and cost of fares and about the difficulty many people experience accessing cheaper tickets. We recognised that there are many good deals to be had, but for the passenger who perhaps does not have access to the internet and cannot arrange their journeys in advance or at specific times and days, the increase in fares is horrendous. We repeatedly expressed concern about this.

We are pleased that the Secretary of State accepted our recommendation to continue the retail prices index plus 1 per cent. formula for increases on most regulated fares. That was particularly important because, at a time when inflation was set to fall, there were reports that the train operating companies were attempting to have that formula removed so that they could increase fares, when they ought to have been reducing them.

We were also pleased that the Secretary of State promised to remove the basket of fares which allowed individual fares to rise by up to five times as much as the national increase. That promise was carried out and the basket for regulated fares has gone, but it is not at all clear whether its removal is for one year only—this year—or for the foreseeable future, so I seek clarification on that.

In July 2009, the RPI stood at 1.4 per cent., and most regulated fares fell in 2010—the first fall since privatisation—but there were concerns that the train operating companies would seek to recoup this through cuts in services or increases in unregulated fares. Last November, the Association of Train Operating Companies announced that overall fares would rise by an average of 1.1 per cent. for 2010, but this has masked major increases in some areas, particularly in unregulated fares. For example, the increase in the price of a First Great Western London to Swindon supersaver ticket by a massive 15 per cent. at a time of falling inflation is unacceptable.

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I assume that the Committee accepts that, although there may be one or two exceptions in the unregulated fares area, 60 per cent. of tickets are purchased on regulated fares. Therefore the vast majority of the travelling public have seen a fall in their ticket prices from January this year.

Mrs. Ellman: I thank the Minister for his intervention, but the logic of his comment means that 40 per cent. of passengers are travelling on unregulated fares. An increase of 15 per cent. can cause great hardship. Indeed, there are other examples, including the London to Liverpool anytime single fare and the London to Manchester anytime return ticket, the costs of which have increased by 6 per cent. These figures should not be taken lightly.

Norman Baker (Lewes) (LD): I support the hon. Lady's Committee on this, and the Minister's intervention concerns me. Although it is true that regulated fares have decreased because of inflation this year, the decrease has by definition been marginal, whereas the increase in unregulated fares has in many cases been large, as the train companies have sought recompense for the reduction in regulated fares. Consequently, as the hon. Lady says, there has been a massive increase in some fares way beyond inflation, which is unacceptable to the public at large.

Mrs. Ellman: The hon. Gentleman makes an important point, and I accept the thrust of what he is saying. I hasten to add that First Capital Connect, Merseyrail and TransPennine froze their fares, and they should be praised for doing so.

There is concern that this year, in contrast to its previous practice, ATOC rather mysteriously refused to publish its unregulated fare increase by operator. In past years it has published such information, but this year they did not do so. When information about fare increases was requested, it agreed that it had the data, but it declined to give out the information or publish it. That unacceptable practice has led members of the public to wonder whether it masks high increases in unregulated fares. I call on ATOC to publish all train fare increases by operator as it has done in previous years.

According to information from the House of Commons Library, rail fares in January 2010 were 41 per cent. higher in real terms than in January 1987, and we should be concerned about the rising trend in rail fares. I recognise that ATOC has embarked on a review of fares. I am glad that it has responded to the concerns expressed by our Committee and by many others, including passenger representative groups, such as Passenger Focus. That review is welcome, but we will have to see what the outcome is.

I repeat the Committee's previous calls for the Government to review the distribution of taxpayer and passenger contributions to fares, because although I may criticise the individual train operating companies for what they are doing, and sometimes for trying to hide what they are doing, I also recognise that the Government, too, have a responsibility in respect of deciding to fund the travelling public. It is important that the public have adequate information so that high individual increases cannot be hidden.

Rail is a success story, with ridership at its highest level for 60 years. Rail received a subsidy of £3.86 billion last year, and it is essential that that sum brings value for money. It is always important that the public receive value for money for public investment, and that will be increasingly critical in the years ahead. It is encouraging that a number of the Committee's key recommendations are advanced in the Government document called "The Future of Rail Franchising", which was issued in January by the Department for Transport. For example, it proposes franchises of 15 years, and perhaps longer, but they would be conditional on the train operating companies showing what additional benefits and investments they will bring and having adequate break points, so that steps can be taken to remove those franchises if the operating companies do not fulfil their promises.

The document suggests that there should be a new look at the transfer of risk from the public to the private sector and at the possibility of higher performance bonds being required, and whether other steps should be considered. It also refers to the importance of improved passenger services as part of the conditions of awarding a franchise. The document mentions three new franchises to be awarded, which could set a trend for the future, and I hope it does.

Rail is increasingly important. The issues raised in the Committee's recent report, "Rail fares and franchises", have been raised in the past, although these are given new urgency because of the current economic climate. The report highlighted some of the problems in the franchise system. I call on the Government and the rail industry to continue to respond to our concerns in the interest of the taxpayer and of the travelling public.

2.48 pm

Stephen Hammond (Wimbledon) (Con): It is a pleasure to take part in this debate with you in the Chair today, Mrs. Anderson.

I welcome the Select Committee's report on this crucial issue and welcome the opportunity, albeit somewhat belated, to debate it this afternoon. The timing of the Committee's report and investigation was perhaps fortunate for those who are not Ministers and unfortunate for those who are, because it came at the time of the second failure of the operator on the east coast main line franchise and, thereafter, the forced renegotiation of services. That was perhaps the ultimate illustration of some of the consequences of the franchising system that the Government have put in place. As the hon. Member for Liverpool, Riverside (Mrs. Ellman) said, in 2006 the Transport Committee's report concluded

"that the franchising system had failed to fulfil its objectives, and that it was nothing short of a 'policy muddle'."

In 2009, the Committee concluded in its report that there remain

"underlying problems in the current franchising model."

The conclusion that there are underlying problems is undoubtedly correct. Franchises are too short, too specified, discourage investment and innovation, and have not delivered the sort of capacity needs that the network requires.

Chris Mole: The hon. Gentleman and his colleagues on the Conservative Front Bench frequently suggest that the Government micro-manage and interfere too much in franchise operation. Would he care to suggest what aspect of over-specification he would drop, and what protection for passengers he would lose from the process?

Stephen Hammond: It is not a question of losing protection. Network safety is dealt with by the Office of Rail Regulation, and train operating companies must meet specifications in terms of intention to tender. Does the Minister agree that his predecessor said that 14 civil servants in his Department were writing timetables? Is that a necessary specification? He probably believes that it is a necessary specification, so I will leave it at that.

I absolutely agree with the hon. Lady that franchises are too short. Most are around seven years, and the latest—Southern—was for around six years, or slightly less. If that is compared with a train's useful life, the problem becomes immediately apparent. Beyond the issues raised by the hon. Lady, short franchises stifle investment and innovation, and operators are, not surprisingly, unwilling to commit their own money above the specified premia bonds because they are unlikely to get a return on their investment before their franchise ends. Longer franchises would foster more TOC managerial focus on improving services for passengers, rather than just looking ahead to the next bid. That, of course, also implies that longer franchises reduce the costs of bidding and tendering, which should facilitate more investment in the franchise, giving investors more time to benefit from their outlay and to provide a better quality of service to passengers.

All too often, Network Rail does not view the operator and its passengers as its first concern. The current short franchises undoubtedly misalign the objectives and incentives of the industry. If operating companies had franchises of at least 15 years, Network Rail would be forced to consider the operator as a long-term partner and, again, there would be benefits for passengers. As the Minister said, the Opposition's long-standing position has been that franchises across the network should generally be let for 15 to 20 years. I agree with the Select Committee's proposal that franchises should be let for up to 15 years, but that that should be towards the minimum end rather than the maximum end. I welcome the fact that in their document in January the Government joined us in that position.

A longer franchise must not be a licence for operators to do what they like for 20 years, and that point was ably picked up by the Select Committee. Clearly, the regulator will need powers to ensure that performance measures are met, and I stress that those should not be just the current performance measures. I would like more inclusive performance measures to include not only trains that are late, but trains that are cancelled. That would allow franchises to be removed from train operating companies if they consistently failed to deliver for their passengers.

Looking at how things can be done differently, Chiltern's franchise was let on a rolling basis for 20 years, which allowed Chiltern to make considerable and imaginative investment in long-term improvements, and to work closely with Railtrack previously and then Network Rail. It has invested in new trains, extra car parking places, better platforms, better stations, better buildings, and better performance for passengers. One of life's lessons is that it is a question not of how much money is spent, but of how it is spent, or not of how much is bought, but what is bought. A qualitative assessment as well as a quantitative judgement is required. An incoming Government will have to consider how, when they award future franchises, they will place emphasis on the quality of plans in each bid in terms of investing in rail improvements to increase capacity, improve services and attract more passengers. The assessment of franchise bids must be qualitative as well as quantitative.

When granting franchises, the Government focused solely on cost and how much money could be squeezed out of train operators. Cost must not be the only consideration. I accept that it will be the overwhelming consideration, but a qualitative judgment of what else will be being delivered must be made. The Opposition believe that there should be an opportunity for train operators to have a much stronger incentive to invest to

[Stephen Hammond]

improve the quality of service that they offer and to provide new capacity to help to tackle overcrowding. It must also become a realistic option for passenger operators to buy their own rolling stock. Longer franchises will provide an incentive to both operators taking decisions on buying and leasing rolling stock.

Chris Mole: Given that the principal factor in the failure of the National Express east coast franchise bid was the uncertainty about whether it had made a robust assessment of forward economic projections, and if the hon. Gentleman and his party are suggesting that a 20-year franchise is the magic bullet that fixes all franchises, how does he anticipate a business being able to forecast the economic scenario that far into the future with sufficient confidence to allow it to commit to such a long franchise?

Stephen Hammond: Presumably by listening to the advice that KPMG gave to the Minister's Department on economic reset mechanisms for 20-year franchises. It has been well publicised that advice was given to the Department on how longer franchises would need either an economic deflator, or economic reset mechanisms. I presume that an incoming Government—I hope that they are of our colour rather than the current colour—will take that advice when considering longer franchises. There is plenty of international experience of longer franchises, and I cite Australia. There are economic mechanisms that are not the same as the cap and collar—economic deflators and reset mechanisms. For the Minister to suggest that there would have to be a completely new science, or that his Department has not taken advice, is wrong.

Norman Baker: Does the hon. Gentleman share my perplexity that the Minister seems to be arguing against longer franchises when his Secretary of State has indicated a policy in favour of them? It might be helpful if he talked to his Secretary of State.

Stephen Hammond: The answer must be that given that the Chancellor and the Prime Minister cannot agree, we should not be surprised that that disease is prevalent further down the Government.

The key point must be that a change of vision is needed that will pave the way for more flexible and less prescriptive franchises, giving operators real scope for innovation and giving passengers a better service. Over the past 10 years, there have been unprecedented levels of control and micro-management, which means that railway professionals find it more and more difficult to find ways of innovating to bring benefits forward more quickly and cheaply to customers. Over-specification of franchises was taken up by the Select Committee in its third recommendation. It said that on the east coast network, the current service level commitment is 45 pages long and contains great detail on frequencies and stopping patterns for each route. But if the Government had wanted, they could have set first and last trains with minimum times and the number of stations to be stopped at. It was not necessary to go into great detail of each pattern, which has the effect of inhibiting flexibility. Some straightforward timetable adjustments could reduce overcrowding by providing a better match of supply and demand as the franchise moves forward, and increasing route capacity for both passengers and freight.

On the line between London, Tilbury and Southend, c2c's franchise is 15 years. It was let in 1996 when the Government did not specify franchises so tightly. That flexibility has enabled its management to focus on delivering to its customers, improving station environment, introducing a wholly new fleet of trains, and focusing on operational performance with better stations and platforms. It has transformed what was once known as the misery line into a line with some of the highest levels of customer satisfaction and punctuality within the profile of the original franchise agreement.

Within the rail industry, there is a clear and well-understood relationship between journey times, revenue and punctuality. Faster scheduled journey times lead to increased revenue, provided that that is not at the expense of punctuality. Faster journey times enable improved rolling stock utilisation, as it becomes possible to operate more train services for the same fleet of rolling stock. There is no need to specify journey times. The TOCs will work to optimise those requirements within the framework of the overall performance.

Several times, I have debated with the Government—in the guise of various Ministers—the practice of civil servants setting detailed timetables across the network. The Government occasionally tell us that that is not happening, but a previous Minister has put it on record that at one stage he had 14 civil servants writing detailed timetables. Of course the Department for Transport has a role in monitoring franchises, but it should concentrate less on inputs, and set more outputs for the TOCs to deliver in the most effective way in areas such as operational performance, passenger satisfaction and station cleanliness. That is the way forward.

Chris Mole: I have listened with interest to the hon. Gentleman, and I thank him for giving way yet again. He talks as if train stopping patterns and timetables should be purely a matter for each train operating company on the line and service that it operates, without regard to the fact that lines and services interconnect. We need to ensure that people who transfer at a station from one franchise to another are able to interconnect and catch trains between the two different operators.

Stephen Hammond: Is the Minister telling us that it needs a pyramid of civil servants in the Department, rising up to senior civil servants writing timetables, for us to be sure that as we jump off the train somewhere on the network, we can jump on to another? Should we not say that those closest to the passengers inside franchises with minimum specified details could deliver as well and as effectively? I do not suggest anything wholly new; that model worked and was in place for many years. It was put in place by some of the Minister's predecessors. My lesser specification is an acknowledgement that that system works and has been seen to work.

The Government's role in buying rolling stock should be radically scaled back. It makes no sense for us to pretend that Ministers or civil servants should have day-to-day control over moving new rolling stock around. That degree of detailed involvement is slowing up the delivery of new capacity and driving up costs for the taxpayer and the fare payer.

We have witnessed the chaos surrounding the procurement of what was promised to be 1,300 carriages—although it is now generally accepted that there are 978—and the subsequent cancellation and moving around of the InterCity express process. There has been the failure to see the Thameslink process reach a decision, and the failure of the cascade to deliver trains, particularly to Northern Rail where the franchise suffers from carriages that are in excess of 25 years old.

Three weeks ago in this Chamber we debated Thameslink and I am sure that the Minister is almost ready to sign off the letter that he promised in answer to a number of questions. However, in conjunction with what was said in the Transport Committee, perhaps he will answer a few more points this afternoon, or again promise to deliver a letter. Will he confirm that the InterCity express contract will be signed on time? Will he confirm that, as he announced in the earlier debate, the Thameslink upgrade is going to be delayed for a year? Should we assume that the train procurement contract is therefore also going to be delayed for a year? Will he confirm how many of the 1,300 carriages have been ordered and how many are in production? How many have been delivered and when will they be in service? When can Northern Rail expect the cascade of trains?

As in the previous debate, I will give the Minister the opportunity to confirm whether the Government are postponing the decision on or have stopped the order of 42 extra Pendolino trains, and that we will not see an increase from trains with nine cars to those with 11 cars on the west coast main line. I hope that the Minister will be able to answer those questions. The Transport Committee report touches on rolling stock and procurement and for many people, particularly passengers, the Government's rolling stock procurement programme seems to have come to a halt or gone into chaos. That has a direct impact on passengers. I look forward to the Minister enlightening us with those details in a short period of time.

I believe that franchise agreements should be more flexible and less prescriptive. They should allow more decisions in the rail industry to be taken by rail professionals, subject to a more powerful consumer-facing regulator. That should improve the ability of the rail industry to react to capacity needs, plan for the future and deliver value for money for the fare payer.

My third point is that if the reason for lengthening franchises is to improve services, enhance capacity and incentivise operators to invest in the railways, we must ensure that not only is there value for money, but that any investment enhances capacity. That brings us to the issue of whether TOCs should be able to invest in rail infrastructure. At the moment, that area of responsibility is solely for Network Rail. The problem that we often hear about from passenger groups and operators is that Network Rail's culture can prevent what are relatively small and modest improvements to stations—such as short works outside stations or improvements to line capacity—from going ahead. Often, an operator might identify a platform that needs lengthening and be prepared to invest in that and work with Network Rail, but finds that Network Rail has not prioritised that issue.

We believe that contracts and funding for smaller scale capacity enhancement projects, which are currently dealt with by Network Rail, should be opened up to other providers, including—although not exclusively—passenger and freight operators, on the basis that those investments will enhance capacity. We would encourage rail franchise bids to contain projects of that type. Joint bids for funding by Network Rail and local passenger and freight operators would also be welcome. Network Rail says that it is receptive to the idea, and I look forward to that happening. It would also be important to amend Network Rail's licence to include a specific duty to co-operate with operators and other entities carrying out those sorts of capacity enhancements. The advantages of that are clear. It would speed up the construction of much needed capacity enhancements, improve efficiency and provide a cost comparison against the bulk of Network Rail's current functions. It would provide useful benchmarks against which to measure the whole of the infrastructure industry in this country, and it would encourage passenger and freight operators to invest in important capacity enhancements.

The last part of the Committee's report deals with National Express. Reading from the evidence-taking sessions, I want to point out a couple of issues that are particularly important. With the benefit of hindsight, the comments made by the Secretary of State to the Committee appear to suggest that the Committee was not given the fullest evidence about the state of the east coast franchise.

On 17 June, and again on 15 July, the Committee was told that the Secretary of State had no knowledge about the severity of the problems on the east coast main line. However, freedom of information requests have revealed that not only was the Secretary of State aware of the problems with the franchise when he went before the Committee, but that he, or one of his predecessors, had attempted to negotiate a management contract with National Express. That is clear from the evidence in the freedom of information request, and the letter written by Mr. Ray O'Toole to the Government on 21 April 2009, which stated that although National Express was not in breach of any term of the franchise, it would not be able to continue with that franchise. It is clear from details of a meeting between the Secretary of State, Mr. Bowker and Mr. O'Toole on 9 June 2009, which were surrendered under the Freedom of Information Act, that Network Rail had no viable alternative but to withdraw from the franchise from 1 January 2010. Both 21 April and 9 June were prior to 17 June and 15 July, when the Committee was given evidence.

Page 7 of the Committee's report states that the Government should

"hold firm on its commitment not to re-negotiate franchising contracts",

and the Government reaffirmed that commitment in their response to the report. Ministers are on record as saying that they do not negotiate, but the Government were negotiating. As further FOI requests show, the previous Secretary of State put in place negotiations between National Express and the Department for Transport about a possible management contract. To be kind, the evidence given to the Committee was far from the very fullest; FOI requests have subsequently shown that certain elements, which should have been disclosed to the Committee, were not. That is an important part of the debate, and it needs to be raised this afternoon.

In paragraph 16 of the report, the Committee states:

"Now is an ideal opportunity to keep the lucrative East Coast franchise in the public sector."

[Stephen Hammond]

It will not surprise the Chairman of the Select Committee to know that although I agree with much of her report, that is one thing that I emphatically reject. At a time when the newly nationalised East Coast company, after only three months in existence, has the worst punctuality and reliability figures, I would hope that the evidence is on my side. The Committee concludes that there are underlying problems with the franchising model, and everybody in this Chamber can agree with that conclusion.

Several hon. Members *rose—*

Janet Anderson (in the Chair): Order. I owe hon. Members an apology for having got the order of speakers slightly out of kilter. I should have called the Back Benchers first.

3.12 pm

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): One encouraging aspect of the direction that we have taken on transport policy is the growing commitment from parties on both sides of the House to the future of rail services. We may differ over how those services should be delivered, and I would certainly take issue with the comments of the hon. Member for Wimbledon (Stephen Hammond) about the east coast main line, but that commitment is nevertheless there. That has been, and will be, shown by today's contributions.

The context of today's debate is rather important. In recent years, passenger numbers have grown in a way that we have not seen for a significant time; indeed, we have the highest passenger numbers in 60 years. Some 1.25 billion passenger journeys were made last year, and rail operators are providing 22 per cent. more services than in the mid-1990s. In that sense, rail is clearly a success story.

Why? The reasons are many. We have seen significant investment in rail services in the past few years. Some may say that that investment has been on the slow side, that we should have seen more of it and that it should have been more of a priority for the Government, and I would agree, but we should nevertheless acknowledge that significant investment has been made available.

All parties involved in the delivery of rail services have also shown an increased commitment to ensuring that our railway network improves and becomes a great success story. Rail operators, passengers, passenger groups, the DFT, the Government and political parties have begun to focus on the role that rail plays in getting people from A to B and on the positive impact that rail services can have on economic growth. Increasingly, people also have an awareness of the role that rail services can play in reducing congestion on our road network and the impact of carbon emissions on the environment. There are therefore many reasons why rail services have grown in importance for the future of the country and its economy and why that will continue.

Continuing to invest in our rail services must surely be the way forward. It is interesting that the right hon. and learned Member for Rushcliffe (Mr. Clarke) made a speech in Yorkshire only the other week to the effect that transport spending should not be cut in the forthcoming period, which will be very difficult for public spending. That is an interesting statement, given that his party wants to cut the public deficit more quickly than any other political party in Parliament. However, on a personal level, I find those comments rather reassuring, because it is my strong view that we need to continue investing in our rail services.

We need to deliver major projects, and I am thinking of not just Thameslink and Crossrail, but the northern hub, which is otherwise known as the Manchester hub in the north-west, although those of us in the north more generally see it as much more important than that and as a genuinely northern hub. We need the rolling stock for the Northern Rail franchise to be delivered, as the first part of what I hope will be a long-term investment in improvements to passenger services in the north of England. We also need to invest in not only the promised high-speed rail developments, but expanded capacity on the traditional network.

All of that is necessary. If we do not make that investment, we will continue to see congestion on the road network. I can speak only about the north of England and from personal experience, but it is already difficult to use the M62, which is the major corridor from one side of the Pennines to the other. If people do not use it, they have to use the A roads, which are increasingly even more difficult to use. We will also start to see an increasing impact on economic growth. I would rather that the country looked to the future and made it clear that we should step up investment in rail services, rather than allowing the economy to be damaged because we had failed to invest in them. We have begun to realise that rail can promote economic growth. The point is not just that it helps to relieve congestion and keep economic growth going; it can actually promote economic growth.

In that context, it is critical that we get the arrangements for the future running of our railway services right. That is why the debate is so important. It is also why I was so ready, as a member of the Transport Committee, to sign up to the report's key recommendation, which is that the franchising arrangements for our rail services should be revised to tackle the short-termism that has characterised the granting of franchises over the past few years.

The impact of that short-term approach can already be seen. The last round of franchises was delivered on the basis that passenger numbers would grow by between 9 and 10 per cent. and profits would rise by 10 per cent. As the hon. Gentleman and my hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman) have made clear, the franchises are let for a short period. That was predicated on a high premium and on a 10 per cent. growth in passenger numbers and profits. That growth has failed to materialise because of the recession, with the result that the rail sector had suffered 7,000 job cuts as of July 2009, the date of the report. Some 750 jobs were lost at National Express, 480 were lost at South West Trains and 300 were lost at Southeastern Trains. We can ill afford those job cuts at a time when we all agree that we should be investing further in our railways.

On top of that we have, of course, the events surrounding the east coast main line, the second default on one of our most important rail services. All the evidence suggests that it is the short-termism of our approach to investment in the railways that produces defaults and creates the risks for the DFT, the Government and the public purse

that must be tackled if we are to ensure that rail continues to be a success story and that we take it to the next level. We have done well so far, but the cracks are appearing and we must deal with them and get the right arrangements for the future, because rail will play an increasingly important part in the future of the economy. Now is the time to pause and take stock of our arrangements.

I would strongly argue that we need to take a longer-term approach to franchising, and that the Select Committee is right to argue for that. We have been pleased that the Secretary of State agrees with us about that. We should be considering a minimum of 15 years, with all that that could bring, such as a greater commitment from the rail operators in their running of the services. The more they are seen as long-term partners in providing rail services, and as having a long-term stake in the future of the business, the more likely it is that they will invest appropriately to get the long-term return.

The greatest impact of the short-term approach to rail franchising is not just the potential risk to the public purse in situations of default such as the one affecting the east coast main line, but more than anything the impact on customer service. It must be recognised that so far the franchising approach adopted by the DFT has utterly failed in that respect. The quality of customer service has never been a formal part of the franchising process, and it is what suffers first when a franchise begins to suffer economic problems. There is a recession, so passenger numbers and profits fall, and customer service is cut.

Everyone in the Chamber who uses rail services will know what I am talking about. Cuts have been made to catering arrangements on many of our main rail services. In some respects there has also been a spill-over into the lower level maintenance services, so that for instance someone may get on to a train and not be able to get a cup of tea because the boilers have failed and there is no hot water. I am pretty convinced that that happens because the train operators have not been in a position, because of the premiums that they pay on the franchises, to invest properly in the maintenance necessary to give an appropriate standard of customer service on a train. That may not seem important in the context of getting people to work and to airports, and allowing them to go about their business; but if rail is to compete effectively with the car in future, we must offer passengers a quality experience.

Cold carriages where passengers cannot even get a decent cup of tea, sandwich or meal to keep them going, particularly when they are on the train a long time, do not make a quality experience. When people have paid up to £240, or in some cases £270, to travel to London and back, on a two-and-a-half-hour journey, the least they can expect is what is promised in the blurb on the operator's website—the newspaper, the regular offer of hot drinks, the so-called snacks and the rest of it. A lot of that is incredibly inconsistent and regularly lets passengers down. That kind of experience will in the end damage the rail industry.

We also need more investment in stations and their capacity to cope with car and cycle numbers. I acknowledge the work done by the Secretary of State to ensure that in the future more attention will be paid, in franchises, to station arrangements such as cleanliness, the welcome given to passengers, and the capacity to handle cyclists as well as car users. There has been a welcome start, but we need to build on it and recognise that the passenger experience is much more than getting to the station. It is time to look at the arrangements again. Not only do we need to review franchise length seriously; we need to take the opportunity of the review to consider how we deliver services to the passengers. We are going in the right direction, but there is a lot more to do.

I have one last point to make about the franchising arrangements, and it relates to the east coast main line. Surely, in an age in which ideology is seen to play much less of a role in public policy, it is time to recognise that it is ideologically unforgiveable and, indeed, dogmatic, to insist that we cannot have an arm's length operator as part of the mix in our rail services. Many would argue that that is anti-competitive, but I argue that in other areas of Government policy we have arm's length operators working alongside the traditional, private providers. In the housing market we increasingly have arm's length management organisations for council housing stock, which are on the verge of moving into not just housing stock maintenance, but the building of new stock. That is what the return of the housing revenue account to local level is all about: competing, and sometimes co-operating—I would hope more often co-operating—with social housing providers, such as housing associations, to provide what the nation needs.

I cannot for the life of me understand why an arm's length company working in the public sector can be seen to work in that context, but we cannot have that for rail services. If East Coast is allowed to compete for the next franchise for the east coast main line—and despite all the evidence that we have heard for the first three months about poor punctuality and the rest of it I suggest to the hon. Gentleman that that is a very short time in which to judge its performance—let us look at that, when the time for bids comes. Why not just allow East Coast to bid along with any other operator? It makes sense.

We were told at the Select Committee by the permanent secretary, when I asked that question, that it would take a change in legislation to allow East Coast to compete with other private market operators. Well, what are we here for? We are MPs; we are legislators. Let us do it. Let us make the necessary changes in legislation to allow East Coast to bid on a level playing field with other operators. That would potentially prove to be a useful model for the future of rail services. I cannot understand why anyone would resist such a move. The only possible reason why it might be resisted would be that ideologically there could be a fear that it would succeed. That is a pretty poor reason not to support it.

Briefly, I agree with everything that the Select Committee report said about fare structures. Paragraph 28 said that

"passengers were faced with up to a dozen different fares for a particular journey".

It is getting increasingly difficult for passengers to work out the best fare, in terms of price and service. I argue also that the websites that allow the cheapest prices are not always the easiest websites in the world to use. As someone who tries to use them reasonably regularly, even I become very frustrated sometimes with the inability of the websites to give me the information that I am looking for. I do not think that I am particularly unskilled at using websites. I do most of my purchasing online nowadays, but the thing that I find most difficult to do

[Ms Angela C. Smith]

is to purchase a rail ticket. That says something about the fares mechanisms and the fares offer that is on the table from rail operators.

We are getting into a rather unfair and strange situation with rail services. Increasingly, passengers are using discounted fares to use the trains and they are invariably required to reserve a seat to use the services. However, the passengers who have to use open tickets—because they do not know when they will be travelling down to a particular location or when they will be travelling back—pay the full price and cannot reserve a seat because they do not know which train they will be catching, and they are increasingly unable to find a seat because the people paying £10 or £15 have made the reservations. The situation is getting quite difficult in terms of how rail operators are treating their customers. I argue that rail operators cannot afford to lose the full fare price paying customers on their trains and that the operators need to give more thought to how they pitch their fares at potential passengers.

In the long-term context of where rail services are going and where the country is going, it is incredibly important that we consider the overall price of travelling by train compared with travelling by car. If we are to make it possible for trains to compete effectively with car travel, we must make train travel attractive not just in terms of getting to the station, getting on the train and using the train, but in terms of how much it costs to use the service. For most people, if they have to pay the full price fare or they have made a last-minute decision to travel, the chances are that they will choose the car rather than the train, because the car is cheaper if they are paying the full price for the train fare on offer. We need to think in the long term about how rail services are priced. If we want more people to use the trains and congestion on the roads to be reduced, the Government and the rail operators must think very seriously about the long-term interests of the country when it comes to how the services are priced.

I want to mention the role of integrated transport authorities in our metropolitan areas in developing and organising rail services. The hon. Gentleman mentioned the numbers of civil servants developing and putting together timetables for rail services. I think that the ITAs would have some sympathy with that point of view, in that they are increasingly expressing an ambition to be at least consultees on the delivery or the development of rail franchises and, beyond that, to play a much fuller part in developing and delivering rail services.

If we are to deliver on our ambition in this country of putting together integrated transport networks, we must ensure that our train services work with our tram services, our bus services and all the local transport services across a particular region or sub-region. I understand that there are difficulties with developing that devolution of control of rail services, but surely it is not beyond the capacity of all the brains at the DFT to work out a workable way of devolving control of rail services at local level to ITAs, so that we can start the real process of putting together local rail services that work alongside tram and bus services. It should be possible for someone living in south Yorkshire—someone living in Sheffield or Barnsley—to get from home to the station on a bus or tram and to get from there to Leeds on a train in a way that is co-ordinated, comfortable and offers a high-quality experience. We have not reached that position yet. There is a lot of work to do, and I look forward to my hon. Friend the Minister's response.

3.35 pm

Mr. John Grogan (Selby) (Lab): It is a great pleasure to follow my hon. Friend the Member for Sheffield, Hillsborough (Ms Smith) for three reasons. First, it is always a delight to listen to her, particularly on the subject of transport, of which she has great knowledge. Secondly, even though the main Chamber is today dominated by Welsh men and Welsh women, I calculate that when we have finished in Westminster Hall, one third of the speakers will have come from God's own county of Yorkshire. As there is always a feeling in the county that we lose out on rail expenditure, perhaps that corrects the bias. The third reason is that I agreed very much with my hon. Friend's non-ideological approach to these matters. Basically, she was saying that she is in favour of what works, and I am too. I shall consider a number of different franchises in north and west Yorkshire, going into south Yorkshire as well, and I shall give different policy conclusions on them, depending on how well they are working.

I agree with my hon. Friend about the east coast main line. There is real frustration in Yorkshire in the business community as well as among those who travel for leisure that for the second time in just a few years, the whole franchise has been thrown open to question. I think that there was a very strong case, on the basis of the public service comparator, for leaving it in the public sector for perhaps 10 years. The hon. Member for Wimbledon (Stephen Hammond) cited the figures. It is interesting that in the south-east, some of the best figures ever for punctuality were recorded when the south-eastern trains were operated as a public service.

Let us just see what the evidence says; let us have a comparator. Who could lose out from that? It now appears, however, that there will definitely be a refranchising operation, so my fall-back position will be exactly the same as my hon. Friend's. Again, what is there to be afraid of? Why not let the East Coast company, as a stand-alone public company, compete? It is difficult to overstate the frustration in Yorkshire that that main artery, on which our economy is so dependent, is being used as a sort of plaything. It needs much more long-term stability.

However, the trans-Pennine franchise, particularly as it operates through Selby and York, which I know well, through to Leeds and Manchester under First TransPennine Express has been a great success. Since the franchise began in February 2004, the number of passengers has increased from 13.5 million to 22.3 million. The number of passengers travelling to Manchester airport has increased by 67 per cent. In 2004-05, the punctuality figure was very low—74 per cent., which was one of the worst. The franchise now has one of the best figures for punctuality—more than 90 per cent.

There is a real case for extension of the franchise, which I think is allowed. I would be grateful if my hon. Friend the Minister confirmed whether that is the case. The House of Commons Library brief for the debate, which is very helpful as always, suggests that a five-year extension is possible. I remind hon. Members that the franchise, as I understand it, runs out in February 2012.

My researcher kindly looked up a parliamentary question in May 2009, when the Under-Secretary of State for Transport, my hon. Friend the Member for Gillingham (Paul Clark), said of the trans-Pennine franchise:

"There is a potential seven period extension at DfT discretion or 65 period extension by mutual agreement."—[*Official Report*, 21 May 2009; Vol. 492, c. 1494W.]

I am not quite sure what that means, but I believe that there is potential to extend the franchise. I am in my third term as Selby's MP. The second term was dominated, in relation to transport, by complaints from commuters on the line. I am not saying that I do not still receive some complaints, but the situation is an awful lot better. In terms of stability and continuation of service, it would be a very popular move in Yorkshire and the Humber if the franchise was extended.

Chris Mole: It may be helpful if I advise hon. Members that the general approach to franchise extensions is to monitor performance towards the end of the franchise period against a set of criteria. The norm if those criteria are met is to grant a franchise extension. The hon. Gentleman may be aware that that is not what happened with the Greater Anglia franchise, but that was an exception resulting from what happened with National Express, the parent company for the east coast.

Mr. Grogan: The Minister has been most helpful. We are approaching the end of the franchise, so if there is no extension—it is only two years away—there will be a need for clarity over the next 12 months about what is to happen.

The Northern Rail franchise runs out in September 2013. Northern is the workhorse of the Yorkshire franchises. We have already heard about the need for additional rolling stock and so on, which prompts me to reflect on the remarks of the hon. Member for Wimbledon about more flexibility in timetabling. We have a largely privatised rail service and it needs a fairly strong centre, in the Department for Transport or elsewhere, to knock heads together among the franchisees to get some sort of overall strategy for the rail network.

In recent months, we have been in the mire of the recession, and I believe that if train companies had been allowed to cut services and thin out the timetable they would have done so. It would have been inevitable in recent months, and passengers in Yorkshire and elsewhere would have lost out. Many people depend on Northern Rail services. When the specification for the new franchise after 2013 is drawn up, I would make one plea. The Leeds to Goole line, which goes through my constituency, calls at Whitley Bridge and Hensall as well as Goole, which is a small market town, not dissimilar to Selby and not far from it. Selby has an excellent commuter service to Leeds, but Goole has only two trains a day. The town is under-served, which is not logical or sensible. With a new franchise, a case could be made for having more services.

Moving swiftly on to those services that are not part of a franchise—the open access services, which have played a real part in improving rail services in recent years—there has been a change in the Department for Transport's attitude over the past five or six years. The fear was that open access services could devalue some of the franchises and that the Department wanted to strangle some of them at birth—at an official level, that was true five or six years ago. However, there has been a change. Indeed, I have heard the Minister speak warmly about such services and their potential, and I hope that he will do so again.

Selby benefits from Hull Trains, which provides a pretty efficient service. I think that the economic value of a train service is a bit like having a championship or first division football club in the area. At King's Cross station, one can see Selby's name on the destination board; it is a direct service from London. I know that some of my hon. Friends in the north-east are equally pleased that the Grand Central railway now takes people from Sunderland and Hartlepool directly to London.

I understand that there are proposals to link the great city of Bradford directly to London, and also to provide a fast service from there to Manchester. Ian Yeowart, who helped to start Grand Central, is now trying to get options on paths—I understand that that is the proper technical term—to run various new services, including a cross-Pennine link from Hull to Liverpool, a fast link between Bradford and Manchester, and services linking London and Barnsley, Penistone and Huddersfield. Those are all interesting ideas, yet none of the main train companies has ever shown an interest in linking those towns and cities with London. I hope that the open access proposals get a fair wind.

It may seem an odd thing to say at the end of February, as we approach spring, but I have always felt that the Government could do a little more about Boxing day services. When the franchises come up for renewal—most of them will do so over the next six or seven years—I hope that Ministers ask the new franchisees to make a commitment to running Boxing day services. Manchester airport station is on the First TransPennine line. Boxing day is the most popular day of the year for travel at the airport, yet one cannot get there by train. Frankly, that would not be allowed at London's airports, which are all linked by trains on Boxing day.

I am a great admirer of Lord Adonis and of his plans for high-speed rail. He has put rail on the map. However, he has missed a trick. I am pleased that both Opposition spokesmen agree that there should be some provision for people going to the sales, attending sporting matches and so on. When Ministers consider their arguments privately, they must see that they do not stand up. Every other country in Europe manages it, and most run services on Christmas day, although I do not suggest that we should do so.

Chris Mole *indicated dissent.*

Mr. Grogan: I would be interested to hear the Minister's list of countries that do not run trains on 26 December.

Ms Angela C. Smith: Does my hon. Friend not agree that a really good starting point would be more Sunday services?

Mr. Grogan: Indeed it would. Ministers have two arguments against running trains over Christmas. The first is that railway workers deserve time off over the holiday period; but then they say that engineering works are necessary. It is a rather contradictory argument.

[Mr. Grogan]

As I said, every other country in Europe manages to run some services over Christmas and also keep up maintenance standards. Ministers are losing the argument, and they should do so with good grace. Even before the next election—I predict that we will have a majority of 75—the Government should make an announcement about the new franchises.

Chris Mole: Would my hon. Friend have the good grace to acknowledge that at least 50 per cent. more services ran during this Christmas period than the previous Christmas?

Mr. Grogan: Yes; of course I will admit that, but it is 50 per cent. of a very small base figure. However, there is a regional bias. I am pretty sure that we had not one service in God's own county of Yorkshire, but there were rather a lot in the south-east where Department for Transport civil servants tend to live.

Mrs. Ellman: Is my hon. Friend aware that the Select Committee considered that matter? We have urged greater efficiency in Network Rail's maintenance work, which could include doing more work off-line. That would allow the railways to be used more frequently, thus meeting the needs of the travelling public.

Mr. Grogan: My case is getting stronger with every contribution. It would be such a pity if, at the next election, two party manifestos contained a commitment to move on that question but the party that I love had not quite made that move. I hope that it will reflect on the matter.

I agree with my hon. Friend the Member for Sheffield, Hillsborough about the importance of integrated transport authorities. We in Selby are looking forward to the west Yorkshire MetroCard system being extended. It has already been extended to Skipton and Harrogate, and it will be a great boon to commuters in the years ahead.

3.48 pm

Norman Baker (Lewes) (LD): I am encouraged by the consensus between the hon. Members for Liverpool, Riverside (Mrs. Ellman), for Wimbledon (Stephen Hammond), for Sheffield, Hillsborough (Ms Smith) and for Selby (Mr. Grogan). On behalf of my party, I hope to demonstrate the same. In parenthesis, may I say that that could be useful in the event of a hung Parliament, as it might give us the opportunity to make progress in areas where parties agree rather than where they disagree? I hope that we can include the Minister in that consensus. I am confident that we can include the Secretary of State, having spoken to him, but the Minister seemed to be inventing his own policies earlier today. I hope that that is not reflected in his response to the debate.

The general view of the franchise regime, which I share, is that by and large the concept is working, but not the detail. We need to make changes to how the franchise system is applied. I am pleased that no one has made a case for hugely destructive changes to the franchise arrangements or for throwing everything up in the air like confetti and seeing where all the pieces land. The latter would be rather like the unfortunate reorganisation of 1994.

The last thing that the railway industry needs is uncertainty, especially as we need growth. The priority must be to increase the network, get more people on trains, and get more infrastructure in place. Navel gazing will not be useful. Whatever the House collectively comes up with will have to be constructive, and we should not take our eye off that particular ball.

There is no question but that the franchises have been too short, and that they have been moving towards an increased specification. I understand the temptation to do that; all of us as MPs get lobbied. We are often asked, "Why doesn't this train do this?", "Why isn't there a buffet car?" or "Why is the Southampton buffet not open at 10 o'clock tonight?" So there is a temptation to increase the width of the franchise documents to ensure that all those points are covered, including points about Boxing day, with which I happen to agree. That temptation needs to be resisted, otherwise we end up with an unwieldy document that involves a gigantic amount of civil servants' time, stifles any innovation and means that companies cannot respond to changes as they have to. That is one of the reasons why franchises have been brittle in recent years.

Therefore, we need to move towards longer franchises—my party is on an even keel with the Conservatives here—and arrangements that are based on passenger-orientated outputs, or the sorts of things that passenger focus groups measure. We should not specify when the booking office is open or when the buffet is open at Southampton Central, but we should regularly ask passengers, "Are you satisfied with the service you are getting on your line? Here are the criteria we want you to look at." If a rail company has a long franchise, say one of 22 years, then its performance should be measured every five years. If passengers are not satisfied, the franchise should be taken away. If passengers are happy, the franchise should be kept by the company, and that should give an incentive to the company delivering the service to worry about matters such as Boxing day services. It also means that they will be looking to the passenger for approval and not the Treasury. That is a very important shift to make if we are to move the railways further forward in responding to passenger needs. Such a system will deal with the cold carriages and the overpriced tickets, which are matters that regularly and unnecessarily irritate passengers.

I think that we all recognise—certainly my party does—that the longer franchise regime can bring in the opportunity for investment. I agree that the Chiltern model is very helpful, and it will bring in a new link between Oxford and London, which will give not only extra capacity but more opportunities for different journeys to be made. That is a relatively simple infrastructure measure that can be very useful in growing the network. We have not done enough in considering those relatively inexpensive measures that can make a big difference to the infrastructure of the network.

We have all been very busy on high-speed rail, which has a vital role to play in the future. I notice that all three parties are now committed to it to a greater or lesser degree. We must not take our eye off the ball and neglect the lesser improvements that can be important in delivering better services. The Skipton to Colne railway should be reopened. There is no logical or economic argument for not doing so. Improvements such as the Todmorden curve and, dare I say it, the Lewes to

Uckfield railway line in my own constituency should be delivered. I notice that improvements such as the Stirling to Alloa line and the Ebbw Vale line are under way in Scotland and Wales. The Government's own formula told us that they would not be successful yet, lo and behold, when they opened they were tremendously successful. That leads me to say that the Government's formula needs to be significantly revised if we are to get some sensible idea as to whether rail schemes will be profitable or not.

The downside of long franchises, which the Minister half hinted at in his intervention earlier on, relates to the unpredictability of the economic situation. It is difficult to predict how GDP will be growing, the strength of the economy and what the state of the rail network will be in five, 10 or 15 years—or, to be perfectly honest, even one year. It is quite clear that the present arrangements are brittle and do not allow for that flexibility to enable train companies to respond sensibly. On the one hand we must ensure that train companies do not make excessive profits—the Select Committee mentioned that in its report—and run away with money, which the public quite rightly would not be happy about, and on the other we must ensure that train companies are not put in a position in which they cannot meet their obligations and have to walk away from a franchise. We have to move the cap-and-collar arrangements that are currently in place towards something that is externally validated. Perhaps the answer is to move towards a relationship with GDP, which would enable train companies to be protected in difficult times and the taxpayer and passenger to get the benefit in good times. That may not be an exact fit, but it is a better fit than the cap-and-collar arrangements that we have at the moment.

At a time when the economy is going up and down, we could consider changing the track access charges that train companies have to pay to Network Rail. Why should Network Rail always have the same amount of money and be protected from the chill wind of the economy? Surely it should take some of the risk as well, and we should consider varying the charges at times of economic downturn.

Chris Mole: Will the hon. Gentleman tell us how he would bring investment into the rail infrastructure if Network Rail had that uncertainty about its forward financial income?

Norman Baker: The amount of money Network Rail has is enormous compared with that of a train operating company. When the train company bears the entire risk of the economic downturn, as it does at present under the cap-and-collar arrangements, that is quite a significant risk for it to take. If some of that risk was shared with Network Rail—I am not suggesting that all of it should be shared—the percentage of Network Rail's money affected by such an arrangement would be marginal compared with the percentage of a train company's income. That is why it would be possible to do that without unduly disrupting Network Rail.

Chris Mole: My understanding is that there are fixed and variable components to the track access charges, and that the resourcing that the train operating company receives from the Department is consistent with the fixed component, so there is no variation or impact on the train company arising from track access charges. I am not sure whether the hon. Gentleman's argument stands.

Norman Baker: I believe that there is a relationship that needs to be considered. I draw the Minister's attention to the recent publication by ATOC that makes that very point. I will happily send him a copy if he has not seen it.

The Select Committee rightly referred to the issue of special purpose vehicles. I will not repeat what was said, but I agree with the Chairman of the Committee on the matter. There is a question about what the penalty should be if a company wants to walk away from a franchise, and whether that should then be reflected in other franchises that it holds. That is a difficult question. I took the view that if National Express was going to walk away from the East Coast franchise, there was a case for taking away its other two franchises. There was certainly a case for removing the uncertainty from the passengers as to what would happen to those two particular franchises. There is a case for penalising National Express for the current situation, even though it is not all its fault. However, there is another side to the matter. As the hon. Member for Wimbledon said, c2c has achieved some of the best performance on the rail network, and it is difficult to argue that people taking the line to Southend should have a franchise operator taken away when the company is successfully delivering for them, even though the company overall is not delivering to the Government. I do not have an answer to that. I just throw up the question because it is a difficult one to resolve.

Chris Mole: The hon. Gentleman needs to be aware—and I am sure that the Chamber will want to be—that the c2c franchise is being retendered at this point only because it was at the end of its natural life.

Norman Baker: I accept that. There would have been an option for the Government, I think, to end the franchise early. Obviously, they took legal advice on the matter. The franchise had not run for long so they would have been making a political point. Pragmatically, the idea of letting it run to the end was probably the right one in this particular case.

A couple of Members have spoken of the need to involve local bodies in the franchising process, including the integrated transport authorities. The hon. Member for Sheffield, Hillsborough made that point in her contribution. I very much agree. However, I gently remind her that I tabled an amendment to the Local Transport Act 2008 to that effect, to try to ensure that local authorities and ITAs were more involved in their local rail services. I made the case for that change on that occasion, and I will not repeat it now. However, if ITAs and local councils are concentrating on roads and buses, which is what they do, and they are being kept out of the rail process entirely, it is not surprising that, when they put in their bids for money, those bids are road-related and not rail-related. We must ensure that those bodies see local transport more in the round than they do at present.

Of course, the east coast main line has been referred to. I welcome the fact that at least three Members who have spoken in the debate so far, including the

[Norman Baker]

Chairman of the Transport Committee, the hon. Member for Liverpool, Riverside, believed that there was a case for having a public sector comparator. Having such a comparator has very much been our party's position. We supported that with Southeastern, when it was temporarily in the public sector. We support it with the east coast main line, and I believe that there is a case, even now, for that line to be held in the public sector for an extended period, as a comparator.

If we are now moving collectively across parties towards a more passenger-orientated, target-based franchise arrangement—that seems to be the move—why do we not try that arrangement now on the east coast main line, while it is in the public sector and see what comes of it? Let us try that now; it does not cost anything, particularly. If we cannot do that and the franchise must be retendered, I agree that East Coast should be allowed to bid, if it is possible for it to do so.

Mrs. Ellman: Does the hon. Gentleman agree that, because we now have information that the letting of the franchise has begun, it is a matter of great concern that it appears to preclude the public sector operating a service so that a comparison can be made between the public and private sectors over a longer term?

Norman Baker: The hon. Lady makes a very good point. We need to look at legislation in particular; if it needs to be changed, it needs to be changed. In fact, my reading of the law in my discussions with the Department for Transport suggests that there is a need for a change in legislation if we are going to allow East Coast to bid for the east coast main line. I am afraid that that legislation was written for unnecessary and dogmatic reasons, with the privatisation proposals from the Conservatives at the time that rail was privatised unnecessarily shutting down that avenue. However, the point made earlier by the hon. Member for Sheffield, Hillsborough was that, if East Coast can bid in a way that will produce the best result, let us have East Coast bid. If it does not produce the best bid, it will not win the franchise. I cannot see what will be lost by allowing that process to happen.

If we are going to give train operating companies longer franchises and more freedom, we need to look at the constraints that exist that prevent them from operating in a way that might maximise the benefit for the passengers. One of those constraints is undoubtedly the unnecessarily detailed interference in rolling stock arrangements that, I am afraid, the Government seem to be increasingly indulging in. Indeed, the Government seem to be sidelining the rolling stock companies as far as possible, not least in the preparation of the Intercity Express programme train for the east coast, and they are doing so at vast cost and with dubious benefit.

I will take the example of my own constituency. The rolling stock is such that we have overcrowded two-car diesel trains from Ashford to Brighton. It is not possible to get a third carriage, because there are none in the country, and the company—Southern—is not allowed to procure any. That is a nonsensical position for Southern to be in, and it is also unnecessarily restrictive, in limiting Southern's flexibility to improve the service.

The service is subject to an ongoing timetable consultation. Whether we should have those timetable consultations is another matter, but we have got one going on now with that service. The consultation is now about reducing the length of route on which two-car trains operate. So, rather than having more carriages, which is what everybody wants, we will have a reduced route, if that option is chosen.

In my area, we will also have cascaded dustbin trains from the north London line—clapped-out 313s, which are 1976 rolling stock—replacing 2004 377s. That cannot make any sense, and it is deeply unpopular with my constituents, as Members will no doubt appreciate. However, it appears to be Southern's only option. Having looked into the situation, I do not blame Southern for it, given the configuration of the rolling stock and the instructions that the Government have given Southern about what it can and cannot do. I am afraid that that is an example of the Government intervening unhelpfully in such a way that the rail company will get the blame for the problems, when, in fact, the hand of the Government behind the company is causing them.

Southern has also been handed 442 rolling stock, which happens to be quite acceptable. Nevertheless, we are now asking Southern to operate a vast complex of different kinds of rolling stock all on the same section of railway line. That cannot be good for efficiency. The opportunity to mix and match different carriages is limited by the fact that they do not couple. That sort of over-involvement by the Government in rolling stock has not been helpful to Southern, and I suspect that that is mirrored elsewhere in the country.

When the Minister replies to the debate, will he say something about the Government's rolling stock plans? I ask that because we have these mythical carriages that do not always seem to materialise, and we also had the announcement last year of the creation of Diesel Trains Ltd, which was then uncreated very shortly afterwards. Since then, we have had no announcement whatsoever about what is happening with the rolling stock. When will the Government make a statement on rolling stock, so that we are quite clear what is going to happen with both the 1,300 carriages and the plans to replace the diesel trains that were initially announced and then cancelled?

We need to recognise that one of the constraints on the train companies is the control of the timetable, which is with Network Rail. Some train companies have been able to negotiate shorter journey times, particularly when they are in competition with air travel. An example is the Virgin west coast main line service, following the improvements that have been made to that line. Other train companies, particularly those in a captive commuter market, have been less lucky. The hon. Member for Wimbledon will doubtless be aware, as this relates to his own constituency, that the journey time into central London from Wimbledon is now three minutes longer than it was in 1930. That does not seem to be much of an improvement in the 80 years that the railways have operated since then.

Let me turn briefly to the fares issue, which was dealt with in the other part of the Transport Committee report. I think that the hon. Member for Sheffield, Hillsborough referred to the fact that the cost of travelling by train has risen by 50 per cent. since 1977. In fact, that is the relative figure. It has risen by 13 per cent. since Labour came to power in 1997, although that trend has been apparent under successive Governments.

However, the cost of motoring has fallen by 14 per cent. since 1997, and the cost of aviation, which is far worse than rail in carbon terms, has fallen by 35 per cent. since 1997.

We have the absurdity that the more carbon that someone emits, the cheaper it becomes to travel, and the less carbon that someone emits, the more expensive it becomes to travel. All three major parties have agreed to a target of cutting carbon emissions by 80 per cent. by 2050. If we are seriously committed to tackling climate change transport must play its part, and we must recognise that financial incentives and disincentives will determine what people do. If it is cheaper to get into the car to go from A to B, people will get in the car. That is the logical response of any individual. So what are the Government going to do to try to ensure that there is more of a relationship between the carbon emitted in transport and the cost of travelling? At the moment, the situation is humpty-dumpty and upside-down and creates all sorts of perverse incentives.

What are the Government going to do to get Britain off the bottom of a league table where the distance that someone can go for a tenner on off-peak fares—not on first-class fares, or on anything else—is less in this country than it is in any other country in Europe? Effectively, someone can travel the distance between London and John O'Groats for a tenner if they happen to live in Serbia, but someone in this country can only get from London to Basildon for the same amount of money. I invite Members to decide whether they want to be in John O'Groats or in Basildon, but that comparison between countries is not an edifying one for someone wanting to buy a rail ticket in this country.

There are other unacceptable confusions with rail fares. For example, there are the split-ticket arrangements, whereby if someone wants to go from Bristol Temple Meads station to London direct it can cost £74.50, but if they go from Bristol to Didcot and then from Didcot to London it only costs £53.20. How can that be sensible? There are far too many complications in the fare system that need to be sorted out. ATOC has now rightly begun a consultation, but unless it deals with the complexity of fares, as well as the actuality of fares, it will not be sufficient.

The Chairman of the Transport Committee referred in her contribution to the increasing divergence between regulated and unregulated fares. That divergence is becoming ever wider, which is unhelpful. For example, there is no point in having a walk-on service, as we now have on the west coast main line—that service runs every 20 minutes, which is fantastic—if the fares operate against a walk-on service and passengers have to book in advance. That does not make any sense. It minimises the benefit of the west coast main line upgrade on which the Government spent so much money.

When I went to Warrington Bank Quay, my office produced a return ticket costing £215. When I said, "No, I want to go standard, not first class," they said, "That is standard. First class is much more." A £215 ticket to Warrington and back is not good value. As for the £1,002 first-class open return fare from Cornwall to Scotland quoted in the papers, I understand that the company sold only one ticket, to a journalist who wanted to carry out the journey. Perhaps the Minister has gone on that trip. Why do the train companies not do themselves a favour? Nobody will pay that much for a ticket, so why have it in the book? Why not just cut the price by two thirds? They might actually sell a couple of tickets.

Chris Mole: I just want to assure the hon. Gentleman that, apparently, the publication of that figure in the first instance was an error. The fare was corrected in December.

Norman Baker: I give way to the Committee Chairman.

Mrs. Ellman: Does the hon. Gentleman agree that it is also to be regretted that there has been a reduction in the times during which off-peak saver tickets can be used? For example, on the Liverpool to London route—I am sure that it happens in other areas as well—fewer trains can now be used for off-peak services. That is another, hidden way of reducing services and value for the passenger.

Norman Baker: That is exactly right. Some train companies have introduced super-saver fares to persuade the Government that they need not worry so much about off-peak fares. As soon as the train companies have their way on off-peak fares, the super-savers disappear or become almost unobtainable. We must be careful. Train companies are using their flexibility on unregulated fares to the maximum to push them up in a completely unhelpful way. There is a serious issue of regulation for the Government in how they deal with the comparison between regulated and unregulated fares. There is a case for introducing a ratio, so that walk-on fares never cost more than a certain multiple of the pre-booked advance fare. That might be one way to deal with the problem. Things certainly cannot be allowed to carry on as they are.

There is another issue—it is a techie issue, but Passenger Focus raised it with me yesterday—about the distribution of ticket moneys. I understand that an incentive exists for the train companies to sell advance fares because they keep the money, whereas they have to share more of the money from walk-on fares. I do not understand how that works, but it certainly seems to be an issue. If it is true, there might be a case for saying that the train companies should keep the money from the walk-on fares and share the money from the advance tickets. That might be a better way of encouraging them to keep walk-on fare prices down.

The fares issue will not go away. It will be the biggest inhibitor of train travel in the years to come. It would be tempting for a Government of no matter what colour, faced with a difficult financial situation after the next election, to push up rail fares to skew even further the balance between what the passenger pays and what the taxpayer pays. That would also be a way to limit business on the railways to restrain the clamour for further enhancements. That was British Rail's policy back in the 1970s and 1980s. We do not want to return to those days.

Social desire for mobility, the environmental case and the business case all demand an expansion of the railways at a price that people can sensibly and realistically afford. That needs a change in Government policy to ensure that the railways do not simply become a plaything for those who are better off than the people who use them now.

4.14 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): It is a pleasure to serve under your chairmanship, Mrs. Anderson. I welcome the opportunity to have this debate, which comes at a good time. Three new franchise competitions will be launched this year: Essex Thameside, which currently trades as c2c, Greater Anglia and the East Coast franchise. We have heard some interesting contributions from the Chair of the Select Committee on Transport, my hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman), from my hon. Friends the Members for Sheffield, Hillsborough (Ms Smith) and for Selby (Mr. Grogan), and from the two Opposition spokespersons.

The National Audit Office report on rail franchising, published in 2008, found that the franchise system had delivered good value for taxpayers and generated keen competition for franchises. We remain committed to raising operational performance through the rail franchising process. By 2014, for example, we want punctuality to reach 92.6 per cent. or better. However, the performance of the franchise system in the recession raises inevitable questions and highlights major issues about how franchise contracts and competitions handle risk and responsibility.

To set out our thinking and potential changes in the next round of franchises, the Department for Transport published "The Future of Rail Franchising" on 20 January this year. We are still debating the issues, so the views of the Committee are particularly timely and valuable. Franchising must strike difficult balances between competing objectives. The Committee report recognises that when it points out that contractual controls on services, ticket offices and fares protect passengers, but prevent operators from responding in a downturn by reducing services and costs. The Government have invited views on that and several other key matters considered in "The Future of Rail Franchising". Operational challenges vary between franchises, as does the scope for investment, new stock or major service change. That is why each franchise must be considered separately.

There is no division between the Secretary of State and me on the question. The point that I was testing with the hon. Member for Wimbledon (Stephen Hammond) was about the Conservative line, which seems to be that if we extended franchises to 20 years or more irrespectively, it would somehow solve all the problems. The hon. Member for Lewes (Norman Baker) may have suggested the same in the past. However, I welcome the recognition that the KPMG report has brought new thinking on how variations in the economy during the life of a franchise might enable the management of risk sharing over the length of the franchise.

We intend that the next rail franchises will be let for a minimum of 10 years. Bidders will be able to make proposals for terms longer than 10 years in return for commitments to additional investment. That will allow us to receive the benefits of continuity and longer-term partnership. However, we would not want to rule out shorter franchises in future. There is no single right length for a franchise, as changes on the network can make the future of the business hard to predict for prospective bidders.

One of the most important issues that we are considering is the allocation of risk. The franchise system must be designed to deliver for passengers and taxpayers across the economic cycle, not just in a downturn. The recent downturn has tested the performance of the current system in exceptional circumstances. National Express's inability last year to continue its East Coast franchise due to economic conditions was regrettable. The current franchise system takes account of the fact that franchisees may face financial difficulties, and is designed so that core passenger services are not disrupted if an operating company defaults. The cost of terminating the East Coast franchise will be recovered from a performance bond maintained by National Express East Coast. The overall cost to the taxpayer will depend on factors such as ticketing revenue over the next 18 months, but the Government will receive all the revenues.

That high-profile default and subsequent contractual termination must be viewed against the broader canvas of franchising as a whole. However, events have led us to reconsider the current franchise arrangements designed to ensure that the train operator remains solvent and cannot walk away from the contract without a monetary penalty. We therefore propose to increase the amount of the bond that franchise operators provide to cover the Department's costs in the event of default. We will also re-examine how parental guarantees are calculated, so that owning groups are required to stand behind losses incurred by the operator to a predetermined level. We propose to make it easier for operators to invest their own money during the life of a franchise and receive part of that investment back after the franchise ends. In assessing bids, we intend to place greater weight on additional ideas and options generated by bidders.

Stephen Hammond: I am interested in the Minister's last two remarks, and wonder whether he will explain them. I am intrigued by the size of the performance bond that National Express gave the Department, which I understand was £40 million, although he may not be able to give an indication of that. What increase in the performance bond does he think would be necessary for a longer-life franchise? He just slipped in a remark that operators might be expected to put in extra investment, which they might get back. Will he explain that thinking?

Chris Mole: On the first point, we would want to be sure that what we were getting from the business not only covered the administrative costs associated with refranchising, which is the primary purpose of the bond, but recognised that the taxpayer would not be getting the benefit of a premium payment, which they might have got had the franchise continued for longer. We would have to assess how much that came to and build it into the franchise. Of course, there is a cost associated with asking the bidders to do that. On the anticipation that operators might invest more money, I understand that there are concerns among operators about whether they will realise the benefits of investing in stations, for example, during the life of the franchise they hold or whether those benefits will accrue to the operator that takes on the franchise afterwards.

Stephen Hammond: Is the Minister implying that he would expect a residual value at the end of a longer franchise that may have to be transferred and that a performance payment might be needed from the new franchisee to cover that residual value?

Chris Mole: I think the hon. Gentleman has put it quite well.

Norman Baker: It is helpful for the Minister to recognise that conundrum. I draw to his attention the fact that the cap-and-collar arrangements also discourage train companies from investing, because a great deal of the benefits they accrue is deemed to be generated profit and therefore returns to the Department. Is there a way to ring-fence the innovations of train companies so that they are not caught by those arrangements?

Chris Mole: We would always seek to avoid such protection arrangements that produce perverse incentives, such as discouraging operators from investing in the promotion of additional journeys because the benefits would not accrue to them, but return to the Department.

As I was saying, in assessing bids, we intend to place greater weight on additional ideas and options generated by bidders. We are looking at rewarding franchisees that come up with investment or improvement proposals to be delivered after the contract term. We need to keep a strong focus on performance and make sure franchisees deliver for passengers. All rail franchises incorporate performance requirements, which we monitor closely. We aim to ensure that all rail franchise commitments are delivered, that franchise agreements are complied with and that, if appropriate, the taxpayer is reimbursed when operators do not deliver the obligations in their franchise agreements.

Mrs. Ellman: Does the Minister agree that Passenger Focus does excellent work in monitoring how passengers feel about the experience of rail travel, and that its concerns should be taken up and its recommendations considered seriously?

Chris Mole: If my hon. Friend has a little patience, I will come to that matter in a few paragraphs.

The Department adopts a stepped approach to enforcement to ensure that any action taken is proportionate to the contravention. We have a range of tools, including the Secretary of State's powers to make an enforcement order or impose a financial penalty. If an operator falls below the defined levels, we can require them to produce a remedial plan to restore performance, but if deterioration continues, the Department can terminate the franchise. It remains our position that we do not renegotiate franchises. We expect operators to abide by the requirements of their franchise agreements.

There have been calls for the East Coast franchise to remain under Government control as a public sector comparator. That is not possible, because legislation requires franchises to be put out to competition. Data from the months of public operation will of course help us to learn more about the business. However, I do not believe that robust conclusions about public versus private ownership could be drawn from a longer period of public operation.

Norman Baker: I accept that a legislative bar exists, but does the Minister accept that it would not be complicated or time consuming to remove it?

Chris Mole: Whether or not that is the case, I am not sure that it would be good for the industry to inject such uncertainty into the framework. I am also not sure what could be compared with the East Coast franchise if we made it into a longer-term public comparator. Among the dozen or more franchises, not a great number are comparable with the East Coast, which is a majority long-distance operator. There are many commuter, short-distance and regional franchises.

Generally, our approach to franchises is about recognising that they are all different. For that reason, I am unconvinced that a comparison could be achieved. Perhaps the Southern franchise mentioned by my hon. Friend the Member for Selby could provide a decent comparison with other commuter franchises into London as they are broadly of the same nature, but I do not think it can be argued that there can be much comparison between the East Coast franchise and the South West Trains franchise.

Ms Angela C. Smith: The Minister ruled out the possibility of a comparator on the grounds that it is anti-competitive. It has been suggested that we allow an arm's length company to compete with private train operators. Surely that would be a sensible and undogmatic way forward.

Chris Mole: I do not believe that we could make that happen at this time.

Stephen Hammond: The Minister will probably not thank me, but I will try to come to his aid. First, if such a company had to bid against other bidders, the Government would face the suspicion of a conflict of interests. Secondly, to have such a public company would be to plough a huge additional subsidy from the taxpayer into the industry. How could we be sure that that would provide the best value for money for the taxpayer?

Chris Mole: Whether it did or did not, there would be the suspicion of a conflict of interests and there would be such accusations.

Ms Angela C. Smith: I thank the Minister for giving way a second time; he is most generous. As I said earlier, there are models to prove that his objections are not the case. Local government has operated models for some time that allow competition between arm's length companies and private sector operators. They show it is possible to prevent the appearance and reality of conflicts of interest and of the unhelpfulness of subsidies to arm's length operators.

Chris Mole: I am grateful to my hon. Friend for that clarification. I understand more clearly the point she is trying to make. I fall back on the belief that such a move would inject uncertainty into the industry, which would be unhelpful and would not ensure that we got the best services and value for the taxpayer in the longer term.

Mrs. Ellman: I have something of significance to add to the argument. Is my hon. Friend the Minister aware that I received a letter from the Secretary of State in January this year on this very topic? The end of the letter states:

> "Any bids for the new franchise will have to demonstrate better value for money than the state operator. If they do not, then the new franchise will not be awarded and the franchise will continue to be run by East Coast."

[Mrs. Ellman]

Will he publish the criteria and details of how the comparative value would be assessed? Does he agree that the statement in the letter I received from the Secretary of State suggests that it is, indeed, possible for the franchise to remain in the public sector?

Chris Mole: I think that that is a different assertion from suggesting that the franchise should be awarded to some kind of arm's length public sector operator. What that letter is saying is that if we are not satisfied we will get a bid that offers better value, it would not be in the taxpayer's interest to award the franchise to a business that is going to cost the taxpayer more. That is simply common sense. The implication is that we would have to return to the market and start the process again. However, this time, given the success of the South Central franchising process, we are confident that the market will bring forward bids that will satisfy our expectations. I will look into how much of the information that my hon. Friend has asked for can be published, but she will be aware that the commercial sensitivity around a lot of these processes will disable us from exposing what a bidder's content might be in terms of their business plan, financial viability and so on.

Norman Baker: I am sure the Minister does not want to give way, but I am grateful to him for doing so, nevertheless. He is dancing on the head of a pin. To make the assessment that the Secretary of State has just been quoted as wanting to deliver, a bid must be effectively constructed by East Coast in order to make a comparison. If the bid is effectively constructed and it can "win" because it is deemed to be better than that of other companies who are bidding, that is a bid by any other definition. Is it not the case that what we are arguing for is, in fact, being considered by the Secretary of State? Is this another example of where his policies are rather different from those of the Minister?

Chris Mole: I am astonished that the hon. Gentleman can reach that conclusion from those exchanges, because it is not the one I would have reached. I certainly do not believe he should put that interpretation on what the Secretary of State intends.

Moving on, there remains a strong argument for sharing some measures of wider economic risk with franchisees. Train operators have a number of levers to increase revenues, but they cannot control the economy. We are considering improving the mechanisms within the contract that protect train operators from the effects of recession and ensure operators do not make windfall profits in good times, which was the point the hon. Gentleman made.

The recently-let South Central franchise is a good example of a passenger-focused franchise. Southern has announced an investment of £28 million to improve facilities at stations. That investment will meet the contractual requirement to refurbish 34 stations, and will provide new cycle and car park spaces. More passenger-focused franchises will become the norm. We have given Passenger Focus an enhanced role within the specification process, which emphasises the importance that the Department places on passenger needs. I hope that addresses the Select Committee Chair's point.

Train operators continue to feel the effects of the economic slowdown. We naturally try to take an informed view about what might happen to franchisees. Franchise agreements require operators regularly to supply the Department with detailed and forward-looking financial information, including business plans and rolling forecasts. Speculation about whether franchisees might default would be improper, and would destabilise the market. Ultimately, we cannot be certain what actions a parent group or franchisee might take until we are notified of a default.

The hon. Member for Wimbledon sought to wring the last available point of political benefit out of his freedom of information inquiries, but I think he has misunderstood what the then Secretary of State, my right hon. Friend the Member for Ashfield (Mr. Hoon), was saying on 1 May 2009 in looking at a management contract. There was certainly no commitment to put a management contract in place; it is just one of the options for maintaining services and protecting passengers when we know that a franchise might be moving towards potential financial difficulties. If a management contract had been put in place, it would have been very short term and it would have been done to allow refranchising to take place—nothing more or less than that. The hon. Gentleman has misunderstood what was happening.

Stephen Hammond: It is clear from the response to the FOI request that the previous Secretary of State, the right hon. Member for Ashfield (Mr. Hoon), instructed that management contract negotiations should begin between the parties of the Department for Transport and National Express. That is made quite clear in the response to the FOI request. I have not misunderstood anything, and whether it was a short-term arrangement is irrelevant. It is not appropriate to say the situation has been misunderstood, because the key point is that negotiations were undertaken. Ministers from the Department later said no such negotiations were taking place but, through the release of departmental papers, the previous Secretary of State has shown that they were.

Chris Mole: No, no, no. Clearly, the purpose of a management contract is not to renegotiate the franchise with the franchisee for the remaining life of the franchise; it is to prepare and protect passengers and services during a period when there may be some uncertainty. That is not the same as renegotiating a franchise to allow the franchise holder to stay in place for the duration of the franchise, which I believe is the normal interpretation of renegotiating a franchise.

I would like to move on to fares, which I know is a subject of interest to many hon. Members and their constituents. I welcome the opportunity to discuss the policies that the Government have in place. As I suggested in my intervention on the Chair of the Select Committee, more than 60 per cent. of all rail journeys are made on regulated fares. The Government limit most operators to an average increase in regulated fares of no more than 1 per cent. above inflation each year.

Regulated fares are there to protect those who generally have little alternative to rail when making necessary journeys—for example, season ticket holders or those needing to purchase a ticket on the day of travel for longer-distance journeys, where a regulated flexible fare,

such as the off-peak return or super off-peak return, would apply. I was a little bemused, shall we say, by the hon. Member for Lewes making robust assertions about changes in unregulated fares, because the only conclusion one can draw from that is that he believes they should somehow become regulated fares, or that all fares should be regulated. That is a retrograde step if we want franchisees to be able to use their initiative to provide fares that are competitive and attractive to the travelling public.

Norman Baker: If I may say so, the Minister was not listening very clearly to what I was saying because I suggested two mechanisms to try to make matters better. One suggestion was to have a ratio relationship between regulated and unregulated fares, beyond which they could not rise. That is not the same as deciding what every fare should be; it is setting a maximum ceiling. The second suggestion was to look at the rather techie point of how the moneys are divided between train companies for particular classes of tickets sold. That is far different from the gross distortion with which I have just been confronted.

Chris Mole: I listened to the hon. Gentleman's second point and thought that, given our earlier comments on perverse incentives in the cap-and-collar arrangements, if train operators were asked to share the advance fares, what incentive would there be for them to promote advance fares in the way they do?

Norman Baker: I will happily answer that question as well. They will still have an incentive to sell advance fares because they have empty seats that they will wish to sell, particularly on off-peak train services, so that incentive will not disappear. However, they will also see an incentive not to overprice walk-on fares for the reasons the Minister has heard from all Members present.

Chris Mole: The incentive for them not to overprice any of the non-regulated fares is that they are in competition with other modes of travel. Entirely for that reason, they are non-regulated fares. I am sorry, but I do not think that the hon. Gentleman's argument holds water.

Ms Angela C. Smith: Is not the reality that the unregulated fares are not competitive with other modes of travel, as was pointed out by the hon. Member for Lewes (Norman Baker)? The cost of car travel has decreased in the past 10 years and the cost of rail travel has increased. If we are to reduce congestion on the roads and the impact of climate change, we must tackle the matter as a country. It is not just about competitiveness within the industry. It is a far broader question.

Chris Mole: In her introductory remarks, my hon. Friend the Member for Liverpool, Riverside drew attention to the fact that rail passenger numbers are now at the level they were at in the 1940s. If the fares were so uncompetitive, clearly the train operating companies would have been unable to fill the gaps between the peaks, which is what they have done so successfully. I am sorry to have to disagree with my hon. Friend the Member for Sheffield, Hillsborough on that point, although I will argue that there is some link between regulated and unregulated fares anyway.

Ms Smith: Passenger growth has to some extent been fuelled by the fact that the road networks are getting so congested, particularly in the south-east of England, that there is no choice but to use the trains. There has been a success story, as I acknowledged in my earlier contribution, but we are rapidly coming to the point at which the fare prices on offer could impact on future growth of the railways. It is not necessarily a given that growth will continue regardless of the fares.

Chris Mole: I do not want to disagree with my hon. Friend, but the evidence we have indicates that ridership will continue to rise in the coming years, which is why we are making unprecedented levels of investment in the rail network.

My noble Friend the Secretary of State appeared before the Transport Committee last June to talk about fares and a change that was made in the way fares are regulated. We removed the flexibility for train operators to increase individually regulated fares by up to 5 per cent. more than the average, so long as compensatory adjustments were made to other regulated fares. I am unable to give my hon. Friend the Member for Liverpool, Riverside any further information about what might happen in future years. Last July's retail prices index figure of minus 1.4 per cent. has meant that many fares, including most commuter fares, fell this January. We hope that those reductions will encourage more people to travel by train.

I was a little surprised that my hon. Friend referenced a piece of evidence from the Library that referred to 1987. If those figures are correct, I am certainly not going to take any responsibility for what might have happened in the first 10 years of that period. Certainly, in the past 15 years we have seen rail fares rise less than earnings. One can see that by looking at several popular journeys: a ticket from London to Birmingham in January 1995 cost £55, and this year it is £140, but the notional price this year if the RPI change was applied would have been £143; a ticket from London to Manchester in 1995 was £96, and this year it is £262, but it would have been £269 if RPI was applied; and a journey from London to Norwich was £55 in 1995, and that has risen to £82, but it would have been nearly £97 if RPI was applied.

Norman Baker *rose—*

Stephen Hammond *rose—*

Chris Mole: Which city? I give way to the hon. Member for Lewes.

Norman Baker: I hear the Minister's examples, but according to an earlier written answer, the cost of travelling by train has risen by 13 per cent. above inflation in real terms since 1997 and the cost of travelling by car has gone down 14 per cent. Those are the Government's figures.

Chris Mole: That was not the point I was making, which was that fares had not increased as much as real terms income.

Stephen Hammond: The implication of what the Minister has just said, with regard to the document that referred back to 1987, is that fare increases were higher when the railway was in nationalised hands than they have been since the industry was privatised. Is that what the Minister was trying to say?

Chris Mole: No. I was drawing attention to the Government who were in power at the time, as fares were allowed to rise by considerably more than they have done under this Government. I want to draw the attention of the hon. Member for Lewes to the cost of a train journey from Lewes to Newhaven Town, which was £3.80 in 1995, but £3.90 this year, having increased by 10p in 15 years, which I suspect his constituents would regard as stonkingly good value.

Ms Angela C. Smith: I will refer to my own experience a few weeks ago, when I left Sheffield to watch Sheffield Wednesday play Nottingham Forest. We wanted to buy two train tickets to go to the match because we did not fancy the congestion in Nottingham, but the cost was nearly £40. In the car, on the basis of 40p a mile, the cost would be £24. Consequently, we went in the car and took the hit in the time it took us to get home because it was so much cheaper than going by train. Sheffield to Nottingham is a common commuting journey.

Chris Mole: I draw my hon. Friend's attention to the website, the name of which I cannot remember, that enables travellers to make realistic comparisons between different modes of transport—

Stephen Hammond: Trainline.

Chris Mole: No. The website gives the true and real costs of motorcar travel and a better indication of what it will cost to make a journey, above and beyond the fuel cost alone. That might change my hon. Friend's perspective on the value for money of that journey.

Norman Baker: I am grateful to the Minster for drawing attention to the Lewes to Newhaven line, because I persuaded the rail company that it was in its interests to fill empty space and that, were it to introduce a reduced fare on the journeys to Lewes on which it had spare capacity, it would get more passengers. To its surprise, by cutting the fares by a third it has got the same amount of income coming in. That is an example of train companies responding properly, and that is why those fares are still down.

Chris Mole: I do not know whether the hon. Gentleman's efforts extend to the journey from Hitchin to London, which was £18 in 1995 and is now only £19.50, or to the journey from Newport to Cardiff, which was £3.40 in 1995 and has increased by only 70p to £4.10 this year. Cleary, it is dangerous to generalise in the way some do on different fares, except that 60 per cent. of passengers travel on a regulated fare, and this year, as I have said, they have seen their fares fall for the first time in living memory.

Passenger Focus, working with the Association of Train Operating Companies, has recently published research exploring the factors that prevent people from using the railway. The research revealed that many people believe that travelling by train instead of by car would increase journey time, involve more hassle and prove too expensive. However, when passengers were encouraged to "give rail a go", participants said that catching the train was more comfortable and reliable than they expected. In some cases, passengers found that the ticket was significantly cheaper than they had expected.

We need to tackle negative perceptions of train travel and encourage more people to travel by train. We aim to continue to work with Passenger Focus, the Office of Rail Regulation and the train operators to improve the quality of information given to passengers.

In 2008, with the encouragement of the Government, the industry introduced a new simplified fares structure that has three main ticket types: advance, off-peak and anytime. The National Rail website has recently had a major upgrade which emphasises this simplified structure, and my hon. Friend the Member for Sheffield, Hillsborough may find that the website is now simpler to use. It includes a link to a site called Best Value Fares which signposts information about where customers can buy train tickets, including information on independent websites such as The Trainline and Raileasy.

Of course, at the end of the day, there are only two sources of funding for the railway: the taxpayer and the fare payer. We need to strike a balance between the burden placed on taxpayers and that imposed on fare payers. In the past five or six years, the amount invested in rail has risen and the increase has been almost entirely funded by taxpayers.

A major development that I would like to bring to the attention of the House is that Oyster pay-as-you-go was rolled out across the national rail services in London on 2 January. That will make life easier and simpler for travellers. Oyster on rail will simplify travel across London for passengers who need to use national rail and other forms of transport such as the underground—they will now need only one type of ticket. Now all the users of the major public transport networks in the capital have the assurance that their pay-as-you-go fare will be at least as cheap as the cheapest cash fare, and often cheaper. Pay-as-you-go fares on rail have become regulated because, as pay-as-you-go is bound to become the standard way to pay for a walk-up fare, passengers will need the protection of having such fares within the regulatory system.

In December, the Department published the first ever smart and integrated ticketing strategy for public transport in England, including up to £20 million of additional funding for the large urban areas outside London, to speed up development of smart ticketing schemes. Oyster pay-as-you-go is well suited to the kinds of journey made in London but it is not right for the whole public transport network. The Government's vision is based on the Integrated Transport Smartcard Organisation specification. That is why part of the pay-as-you-go deal is for ITSO to be accepted in due course on the bus and underground networks in London.

In conclusion, I believe that the right investment is in place to achieve our objectives for rail. Despite the global economic downturn, further significant growth in passenger numbers over the next 10 years is still predicted. We are making the biggest investment in capacity for a generation. Franchise contracts contain strong safeguards to ensure that key standards are met, even in a recession. There will be even tougher performance measures to ensure that longer franchises continue to deliver for passengers.

Rail passengers can be more confident than ever that they are buying a ticket for a fair price. Our policy is one of continuous improvement, and we aim to achieve value for money for passengers alongside the ongoing capability to invest in the rail network.

Janet Anderson (in the Chair): Mrs. Ellman, as Chairman of the Select Committee, do you wish to respond? You have another opportunity to speak if you wish, with leave of the House.

4.53 pm

Mrs. Ellman: Thank you, Mrs. Anderson. With the leave of the House, I would like to respond briefly and say how pleased I am that there is such strong agreement on the importance of rail, investment and attention to the services that the public require, and on the need for risk to be shared more equitably, which is an important point.

The proposals in the Department's document "The Future of Rail Franchising" reinforce many of the points in the Select Committee's report, and have been supported by comments made during this debate. It is important that they are followed through, and that includes the need for longer franchising with appropriate safeguards, and the need for fares that will encourage the use of rail.

I hope that because of this debate, the question of the future of the east coast main line will be considered in an open and proper manner, and that there will be adherence to a statement made in a letter to me from the Secretary of State that a new franchise would not be awarded unless it demonstrated better value for money than a state operator would provide.

Question put and agreed to.

4.55 pm

Sitting adjourned.

Westminster Hall

Tuesday 2 March 2010

[MRS. JOAN HUMBLE *in the Chair*]

Housing (London)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Watts.)*

9.30 am

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I rise to begin this important debate in the hope that a Minister will join us shortly. Nevertheless, given the importance of the issue, I shall begin and keep my comments as brief as possible to allow my hon. Friends and other hon. Members, who have a greater knowledge of the subject than me, to contribute. I will be grateful not only for their contributions, but for their interventions.

As this is a broad subject, I will give some structure to my contribution by confining myself to the leading issue. I say to the Minister, who is now in his place, that he has not missed a great deal because I have been introducing the subject gently.

The issue to which I wish to confine most of my comments is affordability. In saying that it is the key issue for housing in London, I do not mean to suggest that there are not other serious matters that need to be debated. My hon. Friend the Member for Islington, North (Jeremy Corbyn), for example, has a debate on the private rented sector in this Chamber later in the week. Moreover, there are issues related to owner-occupation. In particular, there are the problems that owner-occupiers may face during a recession and the steps that the Government have taken to alleviate them, with the consequence that repossessions are running at about 50 per cent. of those in previous recessions.

Those are all important topics, but given the social and economic position of London and, in anecdotal terms, the case load in my surgery and in my postbag—I suspect that the same is true for many other hon. Members here—the issue of access to housing and affordability is chronic in London, and also acute in that we now have a crisis.

I will say a bit about the scale of the problem and a bit about the Government's response. However, the majority of my remarks will focus on the policy of the Mayor and the boroughs in London, which is going to give serious cause for concern. Such a policy is not alleviating the current problems of affordability, but worsening the situation. I will end my contribution with two specific questions for the Minister.

Mr. Mark Field (Cities of London and Westminster) (Con): I appreciate that the hon. Gentleman's contribution will tend to be fairly parochial—the same will be true of mine, if I am lucky enough to catch your eye, Mrs. Humble—but will he accept that there is a danger of perhaps being slightly over-partisan, although that does not necessarily come entirely easily to his nature? In commenting on the record of the Mayor, and no doubt that of the administration in Hammersmith and Fulham, will he also give some credence to the campaign being run by the *Evening Standard*, which somewhat worryingly refers to the lack of activity in this and related areas of poverty over the past decade or more in London and in the UK as a whole?

Mr. Slaughter: I welcome the campaign being run by the *Standard*, and I hope that is in the tradition of crusading social journalism, which is sometimes absent from the modern press. If my comments become parochial or partisan, I will put them in a wider context. What is happening in Hammersmith and Fulham is not simply an issue for my constituents and those who wish to live in affordable housing in the borough, but it is the blueprint for what many other boroughs—and, indeed, the Mayor—are now doing.

Glenda Jackson (Hampstead and Highgate) (Lab): I have no qualms whatever in making this political. What is happening in Hammersmith and Fulham is being replicated across the whole of London, not least in my own borough of Camden, and it seems to me that the policies are those of the Conservative party. If they are allowed to run, the damage wreaked on some of the most vulnerable people in our city, not least children, will be astronomical.

Mr. Slaughter: I am grateful for that comment, because it puts our discussion into context. I will try to be moderate in my tone and precise in my comments because, at the end of the day, those in housing need or in social housing—either council or housing association housing—are interested not in party political squabbles, but in having a secure and decent home for the future. There is a political divide and it is important that we identify it, but we must do so in forensic rather than emotive terms.

I will briefly run through the statistics, which are probably familiar to many of us. We have 45,000 households in temporary accommodation in London, which is 75 per cent. of the national total. Despite concerted attempts—in some cases, quite unseemly attempts—by councils to discourage people from going on to the waiting list and to prevent people from getting access even to the queue for social housing, some 350,000 people are on that waiting list. London has a third of the overcrowded households in the country. Some 25 per cent. of households in Hammersmith and Fulham live in overcrowded conditions.

As for affordability, on the latest figures, private sector rents on average are £207 for London, compared with £81 for registered social landlords and £76 for local authorities. That factor in boroughs such as Hammersmith and Fulham, which has high land values, rises to a ratio of 1:4 between social rents and private sector rents. The average price for house purchase in London is £315,000. In Hammersmith, the price went down between mid-2008 and mid-2009 from £570,000 to £480,000. It is now rising again and is almost certainly above £500,000.

The ratio between average earnings and the average house price for London is therefore a factor of eight, and for Hammersmith and Fulham a factor of 12. Some 40 per cent. of households in Hammersmith and Fulham have a household income of £20,000 or less. A third of households in London have an income of £30,000 or less. I identified those figures from the many

[Mr. Slaughter]

statistics that are available because they show that, for many people and the vast majority of people in housing need, social rented housing is the only option in London. That is not necessarily true in other parts of the country.

I welcome genuine low-cost home ownership when it is accessible to people on moderate incomes or is a way for people in existing social rented housing to get into a form of ownership, thereby freeing up other units. Increasingly and cynically, it is not being used in such a way. The overwhelming demand is for social rented housing.

The previous Mayor had a target of 50 per cent. affordable housing. Within that, 70 per cent.—35 per cent. of the total—was to be social rented housing. When Labour was last in charge in Hammersmith and Fulham four years ago, those figures were running at 40 per cent. social rented, 40 per cent. intermediate and 20 per cent. market housing on good figures for new build, which shows that with a lot of application it is possible, even in boroughs with high land values, to achieve very good levels of affordable social housing and rented housing.

The Greater London authority's own figures show that the target of 18,000 affordable homes a year should, if we are to meet current need, break down such that 45 per cent. of that is social rented. Against that need, the Mayor's response has been, first, to abolish targets; secondly, to have a shortfall of 5,000 properties on that target of 18,000; and, thirdly and most bizarrely, to raise the threshold for affordability to an income of £74,000 a year. I do not know by what definition that threshold is affordable.

Mr. Mark Field *rose—*

Mr. Slaughter: I do not know whether the hon. Gentleman is going to say that he would like to bid for one of those homes; he is probably in the right income bracket.

Mr. Field: The hon. Gentleman may well be right about the income level. I fully appreciate his passion for this subject and I would agree that, in many ways, we have an absurd situation. It is particularly absurd, obviously, given the polarisation here in London. However, does he not accept that the erstwhile Mayor's targets were providing some very perverse incentives for developers, who were just sitting on their hands waiting for a change in administration or a change in policy?

I fully accept that the current situation is a very undesirable state of affairs. None the less, the erstwhile Mayor's targets simply were not working, which is why the current Mayor decided to do away with such targets. One of the problems, particularly in central London boroughs, was that, in essence, so little was being built, simply because those targets were unrealistic, given the market conditions.

I can understand the frustration that the hon. Gentleman has experienced over many years, both in this place and wearing a previous hat. None the less, having strict targets simply was not achieving anything, which is the main reason why we have gone for a much more flexible approach that will, I hope, pay certain dividends in the years to come.

Mr. Slaughter: The hon. Gentleman is the acceptable face of the Conservative party in London, but on this issue I have to say that I disagree with him absolutely. First, as the figures that I gave earlier show, it is possible to develop high levels of affordable housing. Secondly, if there were consensus between the major parties on providing for people in housing need, as there would have been 30 or 40 years ago, developers would not have the option of waiting for a change in administration or policy. I always found that developers were persuadable and that they would rather have a profit now than the possibility of a larger profit in the future.

Hammersmith and Fulham council is a very good example—in the past, Wandsworth council would have been a very good example, too—in that it has set out its stall as being "open for business". What that means is allowing unrestrained development—essentially, saying to developers, "Come here and you can do what you want," and beyond that, saying, "Actually, you can only do what you want if you also do what we want, and what we want is not to increase but to reduce the amount of social housing." I will say a little more about that in a moment.

I will be gently critical of the Government and say that I do not believe that, in the first 10 years of the Labour Administration, the provision of new social housing had the same priority as the renewal of existing housing stock under the decent homes programme. That is understandable because the decent homes programme was dealing with existing tenants and leaseholders, because of the scale of the neglect during the previous 18 years, and because there are regional differences. This debate is about London, however, where the problems of affordability and access to housing are greater.

I am pleased to say that, with the change of Prime Minister, we had a change of policy towards housing supply, so I give credit to the Government for the £7.5 billion that they are now putting into affordable housing; the £300 million being put into new council housing, which is very welcome; the £500 million being put into the Kickstart programme, although there are concerns about quality in that programme; and the £1 billion going into housing via RSLs and the housing pledge. Those are all very positive developments. They are only the start, but they give me confidence that a new Labour Government would open a new chapter in the supply of housing and affordable housing in this country. Given what the polls are saying to us, perhaps that is something that we can now look forward to.

There has been an ideological problem. If one goes back to the 1945 Government and later Governments, including even some Conservative Governments, social housing would have been given the same priority in terms of improving people's quality of life as health and education. Clearly, however, it has slipped down the agenda. I hope that it is now being put back where it should be.

Social housing is not only about the right to a decent home, which the Government have done an extraordinarily good job on, or about how people live; it is about where they live. In Hammersmith and Fulham, 32 per cent. of households are in social housing—either council housing or rented social housing—and that is in an area with the third highest land values in the country. I am very proud of that. I am very proud because it means that,

economically, the city works; it means that people on low and moderate incomes who do essential jobs can have decent accommodation in the centre of the city; and it means that we have mixed communities. The great lie now being promulgated by the Conservative party is that getting rid of social housing encourages mixed communities, but the social housing in my constituency houses mixed communities—mixed in terms of tenure, people and income. That job is being done by the market, as well as by people choosing where to live, if they have that choice.

I do not want to put a gloss on that situation. There are big problems of poverty and disrepair and there are poor landlords, many of whom are RSLs and local authorities. At least 50 per cent. of my casework in surgeries relates to housing—mainly problems of overcrowding, disrepair and the like—but when I deal with that work, I always ask people if they like living where they are living. I do not think that one person in five years has said to me, "I don't like living in Shepherd's Bush," or "I don't like living in Hammersmith." People want to live in vibrant inner-city areas; they like the fact that communities in those areas are mixed communities.

I fear that the effect of Conservative party policy in London is to create exactly what the Conservatives say they are not trying to create: mono-tenure, wealthy ghettos of the sort that we see in some other European cities, from which the poor are driven out to the outskirts of London or to beyond the M25. My local council leader's favourite phrase is, "Sweat the asset." He has a genuine resentment of people on low incomes living in areas with high land values. That is what that policy is about; it is about a raw type of capitalist, Thatcherite policy, which we have not seen in London for a generation.

Frank Dobson (Holborn and St. Pancras) (Lab): In Camden—the borough that I jointly represent with my hon. Friend the Member for Hampstead and Highgate (Glenda Jackson)—the Conservative council is selling off flats and houses that become vacant. I must say that it is doing so with the enthusiastic support of the Liberal Democrats, with whom the Conservatives are in coalition in Camden. The council is doing that despite the fact that there are 18,000 people on the housing waiting list. To reduce the stock that is available is a bizarre response to a waiting list of 18,000.

I take that personally because when I was the leader of Camden council, we bought up 6,000 properties from the private sector, so that we could give people security of tenure and take other people off the waiting list and put them into the vacant flats. If some people think that being in social housing is unpopular, all I can say is that during the time that I was council leader I did not receive one single communication, by any means, from anyone saying that they did not want to become a council tenant—

Mrs. Joan Humble (in the Chair): Order. I have to interrupt the right hon. Gentleman, whose intervention has turned into a speech. I am sure that his hon. Friend understands the point that he is making.

Jeremy Corbyn (Islington, North) (Lab): It was a very good speech.

Mr. Slaughter: It was indeed. My right hon. Friend is right to draw attention to his own creditable record on housing, because exactly the same thing was done in Hammersmith in the 1960s and 1970s. What partly created the mixed communities in Hammersmith is what are called the "acquired properties". If one walks down any Victorian terraced street in Shepherd's Bush or Hammersmith, one will probably go past three or four houses and the first will be a housing association property, the second will be a private rented property, the third will be a council house and the fourth may be in owner occupation. One could not create that paradigm if one set out to do so, but that is what exists and I believe that it is now under threat.

Sarah Teather (Brent, East) (LD): I thank the hon. Gentleman for giving way, but I really must respond to the point made by the right hon. Member for Holborn and St. Pancras (Frank Dobson). The right hon. Gentleman knows full well that the reason why Camden council has had to sell off properties is because his Government will not fund the council to do up the homes that are still the responsibility of the council. If the Government were prepared to honour the promise to provide decent homes for tenants in Camden, Camden council would not be in the position of having to sell off homes to fund that promise.

Mr. Slaughter: My flow is being interrupted, so I will let other hon. Members make their points in their own time.

My right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) is exactly right. If the aim is to destroy affordability in housing, there is a raft of ways to do it. I wish I had an hour to catalogue the crimes, but I will try to end in 10 minutes.

Hammersmith and Fulham council has disposed of 13 homeless hostels, which constitute about 60 good-quality self-contained units of accommodation. Homeless families will now go into privately leased properties outside the borough, which will cost the taxpayer five times as much and destroy communities—but the council has a capital receipt that it can use to pay down debt. The council has sold by auction a number of the acquired properties that I mentioned. It has even gone to the extent of giving itself planning consent to convert large Victorian properties that have been divided into five units into single residential units, which can be sold for a couple of million pounds on the open market, so it is not even catering for the intermediate market, as it says it is. In addition, because it is selling by auction in a recession, it is getting a return of about 25 per cent. less than the taxpayer should get.

Jeremy Corbyn: I congratulate my hon. Friend on securing this debate and apologise for missing the first part of his speech. Does he acknowledge that by selling off properties and forcing people into the private sector, where rents are very high, the burden is being passed on to the taxpayer through housing benefit? Housing benefit costs for private rented accommodation are roughly three or four times those for rents in the council and housing association sector. That is a monstrous waste of public money.

Mr. Slaughter: Absolutely. I will run through six ways in which affordable housing is being damaged in Hammersmith. Each of the examples is echoed across London and each one, as well as the social cost, usually has an economic cost for the taxpayer.

[Mr. Slaughter]

The first is disposal. The second is demolition, which is under way on several small estates. The third is handing back units: 250 newly built social housing units, of which 191 were socially rented units, have been handed back to a developer; the reason given was that there was no demand for them. The fourth is not bidding for available Government funds, whether for new council housing or through the Homes and Communities Agency to assist RSLs to build. Not a penny has been bid for—indeed, money has been sent back.

The fifth way in which affordable housing is being damaged in Hammersmith is by allowing planning applications for schemes that include no affordable housing. Developers who already have planning consent that involves an amount of affordable housing are cynically going back to the Conservative council saying, "Look old chap, things are a bit tight at the moment. Would you mind if we built that thing without any affordable housing after all?" The council replies, "No, no, we understand. Go ahead and do that." I want the Minister to think about that, because it goes outside the guidelines of the Department for Communities and Local Government. If local authorities are giving permissions on the basis of the alleged economic hardship of developers and thereby eliminating affordable housing, the Government should take an interest. The sixth way is through the definition of affordability, which I have mentioned in the context of the Mayor. Deep cynicism is displayed in the fact that what is called affordable is not affordable in practice to any of my constituents in housing need. That is true of every unit that is so classified, and very few of those have been given consent over the past four years.

Those measures would be enough to reverse the good work done in the past to maintain and improve the quantum of affordable housing, but two further things are happening in Hammersmith and Fulham that have implications for the whole of London and beyond. First, there is an extensive programme of estate demolition that could reduce council housing stock by up to 5,000 units—a third of total stock—if all the schemes that have been mooted go ahead in the next few years. Eight estates, ranging in size from 100 to 2,000 units, are named in the local development framework for wholesale redevelopment. Two other schemes that were mooted have not been concluded only, I believe, because the developers approached by the council do not wish to go ahead at present. That shows what a topsy-turvy world we are in. The local authority is approaching developers saying, "We will give you planning consent to do exactly what you want—triple the density, build commercial developments—provided you do what we want, which is to demolish any affordable housing near the site."

Justine Greening (Putney) (Con): Will the hon. Gentleman comment on the Government's pathfinder policy under which 16,000 homes in the north have been demolished and fewer than 4,000 built to replace them? Does he think that was a good idea?

Mr. Slaughter: I always fear giving way to the hon. Lady because her interventions are so off-beam that she insults the debate. There is nothing wrong with regeneration or rebuilding; I am talking about something very different. I am talking about a deliberate political and economic policy to remove Labour voters from an area, as Shirley Porter did, and to allow the unrestrained development of an area without any regard for the residents who are losing their homes or those who continue to live there—a policy the central objective of which is to reduce the quantum of affordable social housing, so that people on low and moderate incomes can no longer live in an area. That is happening in Hammersmith and Fulham and, no doubt, in Wandsworth. The hon. Lady represents a constituency in a borough that pioneered such policies 20 years ago. All Hammersmith is doing is copying the techniques used by Westminster and Wandsworth in the 1980s. She should apologise for what her party is doing, rather than make fatuous points.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): We are discussing housing in London, where there has been an excess of demand over supply for as long as I can remember. The proportions are now critical. When the pathfinder projects started, they were dealing with the problem of excess supply. Many areas were blighted with huge numbers of homes that could not be rented or sold. Although circumstances changed quickly, the pathfinder policy was a rational response to a totally different problem from the one faced in the capital.

Mr. Slaughter: As always, I am grateful to my hon. Friend because she has more patience than I. Perhaps she would like to put on a seminar for the Conservative Front-Bench spokesman, so that the hon. Lady can learn about housing policy.

The second thing happening in Hammersmith and Fulham is that the estates being demolished are picked not because they are in disrepair or because of over-supply, but for no other reason than that they sit on valuable plots of land next to existing development sites. Many of the developers I have spoken to say that they do not want to do it—they do not want the bad reputation or the political flak, and they do not want to negotiate with several hundred council leaseholders, or get immersed in the successful campaigns that tenants run to retain their estates. However, the price demanded by a council, which is both the landlord and the local authority, for developers to do what they want is that they destroy people's homes and lives. That is unprecedented. Hammersmith and Fulham is an extreme case, but it is spreading to Westminster and Kensington and affecting what the Mayor of London does.

If there was any light at the end of the tunnel, one would say that this cannot go on for ever—people have to live somewhere and the state and local authorities have a responsibility to people in housing need. However, one should read the policy platform of Conservatives such as the leader of Hammersmith and Fulham council and his acolytes, which was famously discussed about a year ago at a secret meeting, the details of which I obtained under the Freedom of Information Act 2000. They plan to go beyond the destruction of large numbers of individual homes. They plan to end what they would call the socialisation of housing and to achieve the withdrawal of the state from the housing market. There would be no security of tenure; the only form of tenure would be assured shorthold. Rents would rise by up to 400 per cent. to market levels, which would have implications for housing benefit bills in the short term. Capital investment in social housing would end. There would be an end to the local authority's duty to the homeless.

That is not fantasy. It is spelt out in a document called "Principles for Social Housing Reform" ostensibly written by the leader of Hammersmith and Fulham council—he is an important figure in Conservative local government and is head of the innovation unit—and put forward to the Conservative housing spokesman, the hon. Member for Welwyn Hatfield (Grant Shapps), and the chairman of the Conservative party, the hon. Member for Brentwood and Ongar (Mr. Pickles), as an example of what a Conservative Government could do. One can see how attractive the destruction of social housing would be. The policy is to retain less than 10 per cent. of stock for those who have physical or mental disabilities and are unable to go out into the market and find their own properties.

Mr. Mark Field: The hon. Gentleman will recognise that the meeting cannot have been that secret if he was able to obtain the minutes under freedom of information legislation. The document to which he refers is a broad discussion paper on a range of issues. Does he not accept that a key area that is ripe for reform is the idea that security of tenure of a council property can be passed down to the next generation? It seems incredible, not only to those living in social housing but, more importantly, to those who are not able to qualify for social housing, that tenure can be passed down through the generations in the way that the current legislation allows.

Mr. Slaughter: No, I do not agree with that. I agree that under-occupation, as it is called, can be addressed in a number of ways, but I do not believe that council tenants and housing association tenants should be treated as second-class citizens in the housing market. I am afraid that is what the hon. Gentleman's party is proposing.

Ms Buck: On that point and the principle at stake, is it not the case that if a tenant inherits tenancy—apart from perhaps a wife inheriting her husband's tenancy—that tenancy is conditional upon that person moving to a property appropriate to their household's size? It is important that we do not fall into the trap of assuming that three and four-bedroom houses pass down through the generations, even for households that no longer warrant them.

Mr. Slaughter: That is an excellent point. Briefly, I shall make three further points—I would like to go on longer, but I will not. First, despite the measured tone that we have heard from the Conservative Members today—although, of course, that may change—let me remind the House of what was said in the meeting I referred to. To give just a few of the many famous quotes about social housing from that meeting:

"Knock it down and start again.

It's hard to get rid of.

Social rented housing was seen as a dead end rather than an opportunity to progress.

Only a very few people need some physical form of social housing...possibly less than 10% of national stock.

What is a poor person?

Define what social housing is for – not about giving somebody a £1m home for life.

We need to deal with the level of political risk. Not just people living in White City will vote against you, concerned citizens elsewhere will do so.

Funding is needed for the political problem of management."

I understand why that meeting was kept secret: it is because those involved were plotting against the poor. It was exposed in the *Evening Standard* last year, and that is exactly what is happening.

The Conservative party had the opportunity to dissociate itself from that meeting last July, when my right hon. Friend the Minister for Housing wrote to the right hon. Member for Witney (Mr. Cameron) asking him whether he would dissociate himself from this and deny it. My right hon. Friend has written twice more and has not had a response. We can take that degree of silence as consent to the extreme policies that are being pursued in not just Hammersmith and other boroughs, but London as a whole. That is the blueprint for the Conservative's policy on the 4 million social homes and the 8 million people who live in social housing in this country.

I will end with two questions for my hon. Friend the Minister. I understand that, because he has planning responsibilities, he cannot comment on individual schemes and programmes of regeneration, but will he at least give an undertaking that a Labour Government will protect and defend the rights of social tenants—their security and their rents? Will he ensure that the quality and quantity of social housing is not destroyed as the Conservative party wish it to be, but that it is increased?

Unfortunately, in some cases now, we are unable to offer that protection in Hammersmith and Fulham, so tenants such as those on the West Kensington and Gibbs Green estates have organised to make use of legislation such as the Housing and Regeneration Act 2008 to take over not just the management but the ownership of their homes. Will the Government introduce the regulations, which have not yet been published, under that Act that tenants need to take control of their lives? A mixed community of people who love their homes and the place where they live are threatened with the destruction of their lives by a greedy developer and an unscrupulous council. The remedy is there—it has been provided for them by the Government, with some foresight—but they need that final step to be taken. If that is done, they can take control, as other tenants have in the past, of their own lives and estates. I am sure they will do a much better job than the appalling one that their Conservative council is doing at the moment.

Several hon. Members *rose—*

Mrs. Joan Humble (in the Chair): Order. Clearly, several hon. Members wish to speak. I hope to call Front-Bench spokespersons at 10.30 am, so if hon. Members can limit their contributions, I will try to get everyone in.

10.6 am

Mr. Mark Field (Cities of London and Westminster) (Con): I will try to do so, Mrs. Humble. I congratulate the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) on initiating the debate. As he will know, I have raised my general concerns regarding housing provision in the capital a number of times over the past year in the House. However, I would be grateful if you allowed me to take a slightly more parochial approach on this occasion, Mrs. Humble.

An important local issue has been brought to my attention, which I wish to raise with the Minister with some urgency. I should add that the matter has profound

[Mr. Mark Field]

consequences for the right hon. Member for Holborn and St. Pancras (Frank Dobson) and the Under-Secretary of State for the Home Department, the hon. Member for Hackney, South and Shoreditch (Meg Hillier). A couple of weeks ago, a member of House of Commons staff spoke to me personally about the future of the Millbank estate in my constituency of Pimlico, in which he has lived for many years. The freeholds of Millbank are owned by the Crown Estate, whose Housing Business Group provides about 1,300 homes in London as a whole. Having recently completed a review of its residential housing portfolio, the Crown Estate has decided to consult on the sale of its central London freehold ownership.

The Housing Business Group was historically set up to provide decent homes at an affordable rent in central London, which allows working Londoners to stand on their own two feet without state reliance. For that reason, Millbank houses a significant number of my constituency's key workers—for example, nurses, teachers, bus drivers and, indeed, a number of parliamentary staff. A local vicar, the Rev. Philip Welsh of St. Stephen's Rochester Row, has said that

> "the current provision of affordable housing for key workers by the Crown Estate is a major contribution to social wellbeing, in maintaining a diverse and lovely local community in this part of central London, among them many long-established local families who give the place a sense of roots".

The looming fear is that following any sale, rents will inevitably increase. That will push many residents out of their homes and destroy the strong community that has grown up on Millbank. I accept that that applies equally to the estates in the constituency of the right hon. Member for Holborn and St. Pancras and other seats.

I raise the issue today because although responsibility for the management of the estate rests with the Crown Estate's board, the organisation is formally accountable to Parliament, and the Treasury is effectively the principal Government stakeholder. Indeed, the Treasury is kept informed of the Estate's business plans and strategies. Although the property is, of course, officially owned by Her Majesty, the Crown Estate's profits—some £227 million—are paid directly to the Treasury.

Only a couple of weeks ago, the chief executive of the Crown Estate, Roger Bright, came before the Treasury Select Committee to be questioned about the value that the Estate delivers to the taxpayer. Mr. Bright has recently had to deal with some hefty challenges, namely the £1 billion that has been wiped off the value of the Estate's portfolio in the last tax year following the recession. It is thought that the sale of Millbank and its sister estates could raise up to £250 million. Many residents believe it is rather curious that the Crown Estate is proposing to sell Millbank at a time when property prices are well below their peak, but when the Treasury's cupboard is relatively bare.

Following the discussion with my constituent in the House of Commons, I arranged to meet Paul Clark, the Crown Estate's director of investment and asset management, to learn more about the Estate's plans. Mr. Clark was keen to emphasise that no decisions have yet been made on the sale, but said that because of a lack of explicit management expertise in the provision of social housing, the Crown Estate has not been able to benefit from the economies of scale in the same way that London's larger housing associations can.

The Crown Estate also feels that the returns from that stock over the medium to long term do not fit with its broader financial obligations. Mr. Clark explained that anyone who rented or bought their property under certain contractual arrangements will have those rights carried over. Those whose rents are set under the terms of the Rent Act 1977 will continue to have their rents set by a rent officer, and assured tenants will continue to have full security of tenure and their rents will remain subject to a rental ceiling.

Mr. Clark told me that he feels that the Crown Estate will only do a deal with a potential owner if a housing association is involved and, preferably, takes on an equity stake. He assured me at the meeting that the Crown Estate is going to great lengths to make any sale as smooth as possible for residents and, in doing so, is likely to penalise itself financially. Evidently, it is looking for potential new owners who have a long-term perspective on the sale.

I want to touch on several of the deep local concerns that remain. We will have a reprise of the matter in a little over 48 hours' time when the right hon. Member for Holborn and St. Pancras will discuss it in the main Chamber, so I hope that the Minister will recognise that we are trying to work together across the political divide to represent the interests of our residents and that there is a strong feeling about the matter, which requires resolution.

The chairman of the Millbank residents association, Professor Ben Bowling, told me that many residents believe that the consultation period, which will finish before the end of the month, is little more than a sham. He feels, as do many residents, that the decision on whether to sell has already been made. He rejects the notion that the Crown Estate has no explicit management expertise, given that it has successfully provided residential accommodation for nearly a century. Indeed, until recently, most tenants have had good relations with the landlord, a point to which I can testify, given the absolute dearth of complaints I have received about them in the nine years I have been a Member. It has been stated that the provision of affordable housing is part of the Crown Estate's core values of integrity, stewardship and sustainability.

There is deep disappointment that the decision to sell the residential estate seems to be driven entirely by financial considerations, with the importance of community and the duty to hard-working Londoners being cast aside. The residents' suspicions, I fear, have been aroused by Mr. Clark's history as the person who presided over the Church Commissioners' sale of their affordable housing only a few years ago. In that case, despite prior assurances that a focused housing provider would provide benefits for tenants, rents rose astronomically after the sale, the key worker scheme ended and flats were then sold off.

The proposals are causing real concern among the excellent team of local Westminster councillors, including Danny Chalkley and Steve Summers of Vincent Square ward and Angela Harvey, Nick Evans and Alan Bradley of Tachbrook ward. They, along with local activist, David Harvey, are united in opposing the sale of the estate, and I am sure that the hon. Member for Regent's

Park and Kensington, North (Ms Buck) will share those sentiments. They fear the damage that might be done to a cohesive local community and the uncertainty and distress being inflicted on individual residents. Until now the Crown Estate has been regarded as a highly valued landlord for its residents, but councillors and other local people are distressed that it is giving such a short consultation period when the uncertainty surrounding the decision will profoundly affect many people's lives and homes. Local people are demanding some confirmation that no decision has been taken, as they believe that the Crown Estate is being pressed to sell the homes by the Treasury in a desperate attempt to raise money. I have now received a significant number of letters and e-mails from desperately worried constituents.

Frank Dobson: I think that the hon. Gentleman would agree that everyone was suspicious that the Treasury was behind that in some way, but will he not confirm that the minutes obtained from the Crown Estate through the freedom of information request show that it has never even informed the Treasury of its intentions?

Mr. Field: There have been too many references to secret minutes obtained through FOI requests, but I take on board the right hon. Gentleman's point. I have heard from many concerned residents. Eileen Terry, a Crown Estate tenant since 1979, recently retired and is now on a fixed income, so large rent rises would force her to find another home. Angela Reape and her husband both work as nurses for the local NHS trust and so are vital key workers in the vicinity. Their three children, who were all born in the flat, attend local schools and the family has always said that it feels part of a close-knit community. They fear that their nurses' salaries will not cover the rent for a home big enough for their children in Pimlico. Vincent Minney's family have lived in Crown Estate property since 1945. His brother lives around the corner from him and he would not be able to afford market rents in the community in which he has lived all his life. As he says,

"not everything can be measured in pounds, shillings and pence".

I started school in 1970, so I am as young as one can be to remember what that means—my hon. Friend the Member for Putney (Justine Greening) is entirely oblivious to the notion of there being 240 pence in a pound. Perhaps we would all rather like that now, as it might make the financial situation rather easier.

Mr. Slaughter: Will the hon. Gentleman give way?

Mr. Field: The hon. Gentleman must forgive me, as I was just coming to the close of my speech.

What I have said chimes with a recurrent theme in other speeches I have made in the House on social housing. Too often social housing goes to people who have no real connection with an area, and I should hate that to happen in Millbank. I call on the Government to look at the proposed sale as a matter of urgency. Alongside hard-working local councillors, I am joining cross-party efforts to look at the matter. I know that the right hon. Member for Holborn and St. Pancras is deeply committed and is doing fantastically effective work in his constituency, and the same applies to the hon. Member for Hackney, South and Shoreditch. I hope that we can all work together to ensure that the residents' voices are properly heard on that matter.

10.16 am

Clive Efford (Eltham) (Lab): It is a pleasure to take part in the debate under your chairmanship, Mrs. Humble. I congratulate my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) on securing this important debate. To allow other Members to speak, I will curtail my comments and not give them the benefit of my full contribution.

My hon. Friend said that he welcomes the change in the Government's approach to social housing, as do I. Some of us have been campaigning on the need to get local authorities building houses again for a long time. The fact that we are investing £300 million in building council housing again and starting the biggest building programme for 20 years is extremely welcome. The economic downturn and its impact on the housing market make social housing even more important for many of our constituents. When I talk to people in my constituency, or to those in some of the larger houses who are now home owners, I find that the vast majority of them started out in social rented accommodation when they were young, either as family members or as tenants themselves, so the idea that being in socially rented accommodation is a dead end and is somehow a barrack of the poor, as it is referred to in some Conservative quarters, is completely wrong.

The housing market has changed and we will no longer see 100 per cent. mortgages, or even 125 per cent. mortgages, on the value of properties, so it will be even more essential that we have affordable rented accommodation for people to live in while they are saving the deposit that they will need to buy a house, which will take a considerable time in this housing market.

There is no lack of ambition to be a home owner and to make that choice; the issue is about choosing whether to remain a tenant or move on. That opportunity should be there for future generations, and I think that all parties have failed in that endeavour in the past, so I am delighted that that has changed. The Prime Minister has clearly indicated that he wants more social housing and has put the money in to make that happen. It is essential that that continues.

We have seen the documents from Hammersmith and Fulham council, and I will focus on that issue briefly to allow other Members to speak. We have been highlighting to council tenants in my constituency the threat that the document from Localis poses. It would take away secure tenancies and move rents to market levels. Tenants are extremely alarmed by that policy.

I draw attention to the two letters from the Minister for Housing, who wrote to the Leader of the Opposition, the right hon. Member for Witney (Mr. Cameron), in July and again in September, asking him to distance himself from the policy and to state that it is not national Conservative party policy. The only response that we have had from him so far came during a visit to Hammersmith and Fulham on 5 January, when he stated:

"I believe in strong local government. It's not my job to run Hammersmith and Fulham but when I look at this borough I'm very proud of what they have done."

That is the only response to a challenge to distance himself from a policy that says to 8 million tenants up and down the country that they face market rents and losing their secure tenancies.

[Clive Efford]

During a debate last week in the Greenwich council chamber, Tory councillors challenged the Labour party on scaremongering in respect of council tenants, yet all they were able to say was, "This is not the policy of Greenwich Conservatives." They were not able to say that the policy is not national Conservative party policy. We have a group of Conservatives in Greenwich who are distancing themselves from their national party and their leader because they are so embarrassed by the policy.

In Greenwich, tenants have the third lowest rents in London—the average is around £80—but they would nearly triple to £225 if we were to impose market rents. It is not some maverick group of Conservatives that has come up with the policies, but the leader of the Conservatives' innovation unit. The document was drawn up following a meeting at which virtually every leading exponent of housing policy for the Tories was present. The leader of the Conservatives has failed to distance himself from it and to deny that it is Conservative party policy.

On behalf of the tenants in my borough, I want to hear from the Minister today that they will have secure tenancies under a future Labour Government, that we will not go down the path of the folly of moving towards market rents and impoverishing 8 million tenants up and down the country and that we will make that a policy in the next general election and that tenants will hear it loud and clear.

10.22 am

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): I congratulate my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) on securing this debate and on an excellent and wide-ranging speech. I also congratulate my Westminster colleague, the hon. Member for Cities of London and Westminster (Mr. Field). In many ways, he made the same speech and, despite his earlier intervention about security of tenure, his contribution, which I substantially agreed with, echoed exactly the themes that were drawn out by my hon. Friends the Members for Ealing, Acton and Shepherd's Bush and for Eltham (Clive Efford), who stressed the importance of maintaining affordable, decent social housing in all areas of London, and how such accommodation can sustain and maintain communities and, of course, underpin the economy by enabling people to live and work in central London.

The hon. Member for Cities of London and Westminster and others were absolutely right to raise concerns about the Crown Estate and the way in which it is proceeding. I and other colleagues who may not be present have similar concerns about the behaviour of the Church Commissioners. When they sold their estates a few years ago, they sold an estate in Maida Vale—Dibdin House—to a housing association that was partnered with a private development company. Maida Vale, which is a ward in Westminster that is generally fairly prosperous, has some social housing.

I took the view then, and still hold it, that if we are serious about maintaining mixed tenure in all areas, and if we do not want our social housing to be solely and exclusively concentrated in poor areas, we need to maintain homes at affordable rents in places such as Maida Vale and, indeed, Millbank. Therefore, it is deeply disappointing that properties formerly held by the Church Commissioners are now being sold and let at market rents that are way out of the reach of the people and families who lived in them when they were held by the commissioners. The mixed tenure that was in Maida Vale has been eroded.

It is completely extraordinary that people who seriously advocate mixed tenure on our large housing estates, which is something that we would all support, cannot apply the same logic to the wards or even the boroughs that are grossly under-provisioned with affordable housing for rent, whether they are the outer London boroughs that failed to provide social housing, even when the previous Mayor was encouraging them to do so—they are certainly failing to do so now—or more local areas.

As my hon. Friend the Member for Ealing, Acton and Shepherd's Bush said, I am not at all uncritical of this Government's housing policy. I applaud the decent homes initiative and the investment that went into it. Tens of thousands of tenants are grateful for the new kitchens and bathrooms and general upgrades to their accommodation, but we came too late to the issue of supply. It was only in the early years of the former Mayor's leadership of London that we really began to turn around the supply in London, and that is carrying through because of the investment that was made in the early years of the current Mayor. We will have to see what happens in future.

We have failed to update the definition of overcrowding; we have failed to put overcrowded housing at the centre of housing policy, despite its critical importance; and we have failed to uphold the code of practice on placing homeless households with a local connection in the local area. That has caused enormous distress to families with long connections to Westminster who are commuting from east London and bringing their children into school every day because the local connection was overridden.

However, as my hon. Friends the Members for Ealing, Acton and Shepherd's Bush and for Eltham said, that is as nothing compared with, in some cases, lazy thinking on the part of some housing professionals, and, in other cases, poisonous ideological thinking that has emerged from some of the think-tanks and local authorities around issues such as ending security of tenure. It is easy to say that there is not enough social housing to go around and that one of the ways to deal with that is to end secured tenure to try to make stock available. Similarly, a parallel position emerged in a Westminster council document on overcrowding in London, which called for legislation to end the duty of local authorities in respect of homelessness, so that homeless households can be discharged into the private rented sector. Both those parallel policies fail to deal with some important related points.

Where do people in housing need with low incomes go? By definition, they cannot afford to pay or to buy; otherwise, they would not be in their position. Of the two catastrophes coming down the line, the first is cost, which has been mentioned. If homeless people are moved into the private rented sector—they are already being diverted by the Government's homelessness strategy, which is an error that would be even more deeply ingrained by the policy in question—the public purse would have to pay for properties costing £400, £500,

£600 or £700 a week when in some cases the property next door in a council block would be rented for £100 a week by someone with security of tenure. The cost would be burdensome at a time when, strangely, people will be looking at the housing benefit budget for cuts. Those two things cannot be squared.

However, even more worrying is the sheer damage that is done to families who are left to fend for themselves in the private rented sector. It is worth reminding ourselves that housing associations began precisely as a response to the failure of the private rented sector to provide affordable, decent accommodation. It is sad that a few of the housing association professionals are now advocating almost a return to the circumstances that brought housing associations about in the first place.

Finally, let me make one quick point: we have mixed tenure on many of our estates, and it is because of leasehold. My hon. Friend the Minister will be aware of how much lobbying I have done for a better deal for leaseholders on local authority estates who face large major works bills. I ask him again, please, can we do something to assist households such as those on the Little Venice estate who will shortly be receiving bills for up to £55,000? Those are the people who we encouraged to buy. In many cases, they are working families or pensioners, and we have to do something to recognise the difficult situation that they are in.

Once again, I congratulate my hon. Friend the Member for Ealing, Acton and Shepherd's Bush on this debate. It shows just how clear the divide is between our side, for all the faults in our housing delivery, and those who are advocating market rents and an end to security of tenure.

10.29 am

Sarah Teather (Brent, East) (LD): May I congratulate the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) on securing this debate? It is good to see that it is so well attended. It is a great a pleasure to follow the hon. Member for Regent's Park and Kensington, North (Ms Buck), who always makes a knowledgeable, thoughtful contribution to debates on housing. I have attended many such debates over the past 18 months to two years and she has attended almost all of those on London issues.

I agree with the hon. Lady's point, which was picked up by many other hon. Members, about the threat to security of tenure. I was greatly alarmed to hear one of the housing associations advocate this policy at a fringe meeting at my party's conference: it was roundly jumped on by almost everybody in the room. I wonder who supports that policy, beyond a couple of isolated housing associations and perhaps one Tory council. Perhaps the hon. Member for Putney (Justine Greening), the Conservative party spokesperson, will tell us what her party's policy is on the threat to security of tenure. There are not many other voices supporting that.

Mr. Slaughter: I have here the minutes of the meeting that took place in Hammersmith—

Mr. Mark Field: So secret.

Mr. Slaughter: We had to hack into a website to get them, so it was quite difficult.

Among those who attended were David Cowans, the chief executive of Places for People, Anu Vedi, the chief executive of Genesis, and Kate Davies, the chief executive of Notting Hill Housing—three large associations operating probably in the hon. Lady's constituency as well as mine. Frankly, these people should be ashamed of what they are doing to housing in London. They are all now advisers to the Tory party on exactly the policies that have been denounced in this debate. The housing association movement should remember what it is there for.

Sarah Teather: I agree with the hon. Gentleman. One of his colleagues mentioned earlier what happens when people move away from affordable rented housing into the private sector: inevitably they have to claim housing benefit to pay their rent. Over the past couple of months, as we have seen, the scandal of the cost of housing benefit to the public purse inevitably results in a knee-jerk reaction from the Government and their capping the limit on housing benefit, rather than concentrating on increasing the amount of affordable housing. So we go round in a circle and never get anywhere.

Many people in my constituency say to me, "Look, I really want to work and want to be able to afford to go to work. I want to provide for my children. I'm qualified to work and have been offered a job but I cannot afford to work, because if I went to work I would lose my housing benefit and could not afford my rent." This is not a sensible way to get people to contribute to the community.

Jeremy Corbyn: I largely agree with what the hon. Lady is saying. Would she and her party support the principle of moving to a much tighter form of private sector rent control and increased security of tenure for tenants in the private sector? That is the fastest-growing sector in London at present and the greatest source of insecurity there.

Sarah Teather: I do not support such a policy, but I will say something about the private sector towards the end of my speech, if I have time.

Other hon. Members who have attended debates in which I have spoken will know that I feel strongly about housing, not just because it is my role in my party but because in my constituency 20,000 families are on the housing waiting list to get into affordable housing to rent. That number does not include the people who are already in such housing, although it may be unsuitable, on the wrong floor or overcrowded. A large percentage of people in my constituency are in housing misery. One in 10 children in my constituency are in temporary accommodation.

The hon. Member for Cities of London and Westminster (Mr. Field) mentioned the *Evening Standard* campaign. I wish that it had begun this campaign sooner, but I am delighted that it is campaigning on this issue in the run-up to the election. It is ironic that the Government spend a lot of money picking up the pieces of broken housing policy with regard to antisocial behaviour, education, health and employment. If they addressed the issue of affordable housing, they would not need to spend as much on other things to deal with the crisis caused by their failure to tackle the problem. We desperately need more affordable housing. We also need more housing in London: this is a basic supply and demand issue.

[Sarah Teather]

A number of hon. Members spoke about the Mayor's targets, which are part of the issue, but it is also to do with the problems relating to section 106 not working well at a time when the economy is less buoyant, and with a failure of courage on the part of many councils. I have taken an interest in the Brent Cross Cricklewood planning development, which is not in my constituency but is on the edge of it and will have a big impact on the Cricklewood area. I was shocked that Barnet council approved that development with only 13 per cent. affordable housing. In fact, it is leaving that agreement to be renegotiated every year. I fear that the percentage of affordable housing will go down rather than up. Such multi-million pound developments really should contain a higher proportion of affordable housing.

While there is enormous housing need, there are also 100,000 empty properties in London. I do not want to run through all Liberal Democrat policy in the next three minutes—*[Interruption.]* We have so much housing policy that I would be here until around half-past 11, and I need to allow other hon. Members to speak.

I want to mention a couple of further points: the private sector, which the hon. Member for Ealing, Acton and Shepherd's Bush mentioned, and empty properties. We know that the economy will be tight and there will be huge restrictions on public sector spending over the next five to 10 years, whoever is in government. It is particularly sensible at this time to focus on getting more affordable housing, and more housing overall, back into the system in as economic a way as possible. I am baffled that we are prepared to leave so many properties empty, particularly in London, when so many people are in housing need. That is why we are pledging to put £1.4 billion into a mixed loans and grants scheme to bring 250,000 empty properties back into use. That will not solve the entire housing problem in London—nobody is suggesting that it will—but it is a commitment to invest and it will make a difference to those families who need a place to live and to streets with empty properties that blight the local community. It will also make a significant difference to the construction industry.

One problem during this recession is the huge loss of jobs in the construction industry. Even when we come out of recession and are able to begin building again, we will have no chance of meeting the need that is there because of the loss of skills in that trade. If we invested in bringing empty properties back into use now, that would create some 50,000 jobs in the construction industry, which would maintain that capacity. Therefore, as we came out of recession, we would have a chance of meeting the housing need in London.

It is crucial that we raise standards in the private sector, so that people at either end of the market have as much choice as possible. We will never be able to provide as much affordable housing as London needs, but there would be less need if the standard in the private sector were greater, if people felt that they had better choice and if those on benefits did not have access only to housing at the bottom of the heap. We need to create incentives for landlords to improve their property, which is why we have argued for a cut on VAT for renovation and rebuild and for landlords to be able to claim the tax back on the work that they do on the property against their income, rather than only being able to claim it back later when they sell the property. We should give them that incentive to hold on to the property and to be more professional and to invest in their property, so that the standards are higher.

It is also about giving people on benefits access to different properties. Any constituency Member of Parliament knows that most landlords will not take people on local housing allowance or housing benefit. A scheme called "Fast track" has been operating with great success in pilot studies in the south-east. That scheme is a mixture of advice and insurance, giving people access to much higher-quality private sector accommodation and giving families real choice, providing an alternative to the race to the bottom that we see at the moment.

Jeremy Corbyn: I appreciate the time constraints on the hon. Lady, but will she acknowledge that phenomenal profits are being made from renting out former council properties, often at four times the rent that councils charged? It is not incentives that private landlords need; they need controls on them.

Sarah Teather: I am not in favour of rent controls because the distorting effect on the market would be immense. Perhaps the real issue is giving councils greater ability to control the freedoms on the right to buy, so that not so many properties—especially in areas such as London, where we are in dire need of affordable housing—are sold off and then used in the way suggested by the hon. Gentleman.

I wish that housing were a greater political issue during the election. I am grateful for Shelter's campaign ahead of the election to raise awareness of the issue, but encouraging people who are in deep housing need and misery to vote is perhaps the most important thing that it can do. The Government have failed significantly to provide affordable housing for my constituents, and I have no faith in the Conservative party's ability to provide for them. I desperately wish that people in housing need would shout louder now. Prospective Governments might then listen to them in the run-up to the election when they are looking for votes.

10.41 am

Justine Greening (Putney) (Con): I also congratulate the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) on securing the debate. As London MPs, we all recognise how important housing is in London—not just in our own communities, but throughout the city. Housing is one of the most important aspects of people's everyday lives, whether they are families stuck on a social housing waiting list, communities living in run-down areas that desperately need regeneration or young couples struggling to get on the property ladder. Housing concerns are relevant to everyone in the city, and increasingly so in recent years, unfortunately.

In some respects, there has been more consensus in the Chamber than I expected. I agree with many of the Labour MPs who have spoken that we have been let down during the years of the Labour Government. As has been said, there has been a lack of national political leadership from the Government for many years and, unfortunately, far too often and increasingly at local level.

I shall comment briefly on Hammersmith and Fulham, because the hon. Gentleman mentioned it, and then talk about the broader London housing issues and some specific aspects of waiting lists and empty properties. The reality is that Hammersmith and Fulham council has given a commitment to provide quality housing for council tenants, and has pledged to build at least 6,500 new homes by 2021, which is nearly one third more than the level set by the former Labour Mayor of London in his London plan. Of those extra homes, 50 per cent. will be affordable housing. There is a desire to ensure that there is additional housing in Hammersmith and Fulham for the people who need it most.

Mr. Slaughter: Will the hon. Lady give way?

Justine Greening: I would like to make progress.

It is ironic that today's debate has in part focused on demolition when, as I said in an intervention, the housing market renewal pathfinder areas have lost 16,000 homes in the midlands and the north, including Victorian terraces. They are often demolished with little more thought than an inspector's 10-minute visual inspection.

So far, just 3,734 new homes have been built as replacements, making the housing shortage even worse in those areas. In fact, far from helping to regenerate them, that demolition programme has increased deprivation in many of the targeted areas, and some social landlords seem to have deliberately managed areas down into decline to make the benefits of redevelopment from the programme more attractive. When the Select Committee on the Office of the Deputy Prime Minister: Housing, Planning, Local Government and the Regions considered that major demolition programme, it said that it risks destroying

"the heritage of areas and"

failing

"to replace it with neighbourhoods of lasting value."

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): How many areas has the hon. Lady visited?

Justine Greening: I have not visited any. We are talking about communities that have been demolished.

Mr. Austin: Has the hon. Lady not been to a single one?

Mrs. Joan Humble (in the Chair): Order. Will the hon. Lady return to housing in London, which is the subject of the debate?

Justine Greening: I will, Mrs. Humble, but I realise that I have touched a nerve. It is a scandal that 16,000 homes have been demolished and only 4,000 have been rebuilt to replace them when there is such desperate need for housing—not just in London, but throughout the country. That is relevant, and it shows the contradiction of the Government's policies. House building nationally has fallen to its lowest since the second world war, with just 118,000 completions in England last year.

Under this Government, 250,000 fewer social homes have been built than would have been the case if we had maintained at the same level the run rate of social housing being built under the Conservative Administration. In fact, less social housing has been built every year under Labour than under the Conservative Government. Warm words in a debate are not enough. The reality is that there have been fewer social housing starts and completions, and that is unacceptable.

In London, action is being taken to address the problem, but figures released last week confirm that in England the statistics on net supply of housing produced by the Department for Communities and Local Government show that eight of the nine English regions saw a decrease in the number of net additional dwellings supplied in 2008-09. The only region to experience an annual increase in net housing supply was London, where the increase was 3 per cent. Indeed, the housing stock is also receiving a boost from the Mayor of London's actions to bring empty homes back into use. Investment in that project has been trebled to £60 million, with 1,000 empty homes brought back into use in 2008-09.

The development of GLA-owned sites for housing provision has the potential to deliver up to 36,000 more homes, which we all agree would be welcome. Nationally, we need proposals to build more homes to benefit families in London and throughout the country, which is why we have discussed new initiatives. We believe that for six years a Conservative Government should match extra council tax generated by councils building new homes to encourage them to build more homes, especially affordable homes. That would provide 125 per cent. of council tax matching.

As we have heard, not only are fewer affordable houses being built under this Government, but people are increasingly struggling to afford those that exist, and the Government's own advisory panel cited the increase in the deposit required from first-time buyers, which has shot from 16 per cent. of annual income in 2000 to 64 per cent. in 2009. Under the social homebuy scheme to enable tenants to own or part-own their rented property, sales have been far short of the predicted levels. The scheme was designed to help 5,000 households a year, but at the end of September 2009 only 328 sales had been completed. Its performance has been woeful, compared with the original hopes for it.

The feedback from many constituencies is that the various homebuy schemes on offer are complicated and people do not understand which one is right for them. There is a real need to streamline the system and to make clearer the path that people may take to get on the housing ladder through part-ownership.

In London, the lack of affordable housing has been particularly acute. Investment in affordable homes has been lowered with £350 million cut from the city's top-up to the affordable homes fund, despite having 48,000 households in temporary housing. The Mayor is taking action and has pledged to build 50,000 new affordable homes throughout London by 2012. That will be the highest number of affordable homes ever delivered in one mayoral term, and it is set against the backdrop of the worst recession for decades.

To date, 20,000 of those homes have been built since the Mayor was elected in 2008. That project, I hope, remains on track to meet the 2012 target. In his first year in office, the Conservative Mayor built more affordable homes than the previous Labour Mayor managed in his final term.

[Justine Greening]

Finally, I want to talk about waiting lists and overcrowding, which are a real concern across London and issues that I hear about in my surgery. The provision of sufficient and suitable social housing has been incredibly poor under this Government. The lack of social housing supply combined with the rising number of people in need of social housing has, as we have heard, led to a soaring number of households being on local authority waiting lists—up from 1.1 million people in 1996 to a staggering 1.8 million in 2009.

Mr. Slaughter: I sense crocodile tears. If that is so, will the hon. Lady condemn her colleague from Hammersmith and Fulham, who says that there are

"already too many socially rented homes in the area... We want to attract people who are very rich... We must stop our borough becoming a ghetto for... the urban poor",

and that the long-term future for housing estates is to turn them into "decent neighbourhoods"? That is the real rhetoric of the Tory party, not the crocodile tears being shed here today.

Justine Greening: I find it hard to disagree with the statement that the long-term objective is to ensure that council homes are in decent neighbourhoods. We would all agree with that, but the hon. Gentleman seems to be sensationalising it, which is counter-productive to a genuine political debate about what those decent neighbourhoods should look like and how to ensure that they function properly.

To finish my comments on overcrowding, the reality is that, in London, nearly 7 per cent. of households are in overcrowded accommodation. That is the legacy that we have after 13 years of the Labour Government. Nearly 7 per cent. of families in London live in overcrowded accommodation, and the problem is even more severe in social rented housing, where nearly 13 per cent. of families live in overcrowded conditions. That is up from just over 10 per cent. in 1995, and is a real indictment of the lack of building of social housing during Labour's term of office, which I hope is coming to an end.

The Mayor has promised to halve severe overcrowding in social housing over this decade, with a move towards building larger and better designed family-sized homes. We believe that that is a better way to ensure that families have the space that they need.

In summary, a number of Labour Members have been highly critical of their Conservative councils, but they have been equally critical—rightly so—of their Labour Government. We need regeneration and redevelopment to help those communities, and we must have more social housing than we have had over the past decade and a half under a Labour Government. Unfortunately, we will get that only with a change of Government, when the Prime Minister finally has the nerve to call an election.

10.53 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): I am still laughing at the final point made by the hon. Member for Putney (Justine Greening).

I start by congratulating my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) on securing the debate. He is a fantastic advocate for his community, based on a foundation of 25 years' service, hard work and delivery for the people he represents. We hope that that will continue for a long time.

The hon. Member for Cities of London and Westminster (Mr. Field) asked a series of questions about the Crown Estate and mentioned the work that he has been doing with my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson). As the hon. Gentleman rightly said, the Treasury is taking the lead on that issue; we have received a number of representations and are in discussions with the Treasury. I am happy to talk to him about that in more detail, if he would like.

My hon. Friend the Member for Eltham (Clive Efford) is an acknowledged expert on these matters, along with my hon. Friends the Members for Regent's Park and Kensington, North (Ms Buck) and for Islington, North (Jeremy Corbyn). I congratulate my hon. Friend the Member for Eltham on the commitment he has made to housing policy during his work with the Department for Communities and Local Government, and I am happy to assure him that we will not impoverish 8 million tenants.

Like my hon. Friend and the hon. Member for Brent, East (Sarah Teather), I want housing to be a bigger issue than ever before at the next election, so that we can win a mandate for more investment in social housing in the future.

It is always a pleasure to debate with the hon. Member for Putney, but she has disappointed me today. I was hoping to get an answer to the letter that was sent to the Leader of the Opposition about her party's housing policies and the points that were made on security of tenure. Perhaps I will have to write to the hon. Lady directly about those matters to get an answer.

I want to pick up on one thing that the hon. Lady said, because the points that she made about pathfinders are complete nonsense. If she had visited—as I have—Stoke, Sandwell, Birmingham, Hull and Liverpool, she would have seen the work that is being done to assemble land in those areas and know the time that it takes to deal with owners and developers and to get developments under way. She would also see the huge contribution that the pathfinder programme makes to employment in the construction trade, the provision of skills and work in the community.

What is worse about what the hon. Lady said is the fact that it is completely the opposite of what the hon. Member for Peterborough (Mr. Jackson) told a pathfinders conference that he spoke at in Manchester. If there is one big lesson that the Conservative party must learn, it is that it cannot say one thing to a bunch of stakeholders and another somewhere else—it will be found out.

From the hon. Lady's comments today, we take it that the Tory party is not committed to continuing with this programme and that if, God forbid, it wins the election, the programme will be abolished. That would drive a nail into any hopes of rebuilding support for the Conservative party in those cities.

Let me pick up on some of the points that have been raised. All hon. Members who have spoken today mentioned the long-standing lack of social housing in London and other parts of the country, which has resulted in problems such as long waiting lists, lack of

mobility and overcrowding. We have been working to address that in recent years, but the economic crisis has brought some of those problems into even sharper relief, with consequences for home owners, house builders and prospective buyers.

I will summarise some of the statistics that illustrate the scale of the problem. In September last year, there were 43,490 households in temporary accommodation in London, some 76 per cent. of the total in England. On 1 April last year, there were 354,000 households on the waiting list for social housing in the capital. There is concern in many parts of London about the options on offer once people are in social housing and need to move home, perhaps because their family has grown.

I am well aware of families who live in cramped and overcrowded conditions, and the impact that that has on their quality of life. I assure my hon. Friend the Member for Regent's Park and Kensington, North that, like her, I want to see a solution to the problems that leaseholders in her constituency are facing. We are in discussions about that, and I look forward to meeting her again to discuss such matters.

The need for additional housing in the city, including affordable housing, is well documented. The GLA's recent strategic housing market assessment estimated housing need at 32,580 homes per year. It also showed a need for 18,200 affordable homes per year in the capital, and within that, evidence points to an 80:20 split between social renting and intermediate housing. Put simply, the only way to resolve the underlying problem of housing in London is to increase supply, particularly the supply of affordable housing.

As hon. Members will be aware, the Homes and Communities Agency has been in operation for just over a year, with responsibility for housing and regeneration funding. By bringing those programmes together, the HCA is discussing regeneration and housing needs with each of the London boroughs, and it will be able to deliver better and more focused outcomes for places and communities.

We have responded to these problems. The Government are committed to investing £7.5 billion over two years—a commitment not matched by the Opposition—to deliver up to 112,000 affordable homes and about 15,000 private homes.

Jeremy Corbyn: I am pleased with the money that was allocated, and I understand that the application on this round was grossly oversubscribed. Will the Minister give an indication of how much money will be available in the next round for new council house building?

Mr. Austin: I cannot give my hon. Friend that assurance today, but I can tell him that London is the biggest recipient in relation to the £7.5 billion that we have allocated and is receiving £2.8 billion of that money, which is 37 per cent. of the total. That funding includes the £1.5 billion housing pledge announced last year, which, as my hon. Friend says, is expanding the role of local authorities to deliver new homes.

A series of points has been raised, not least by my hon. Friend the Member for Ealing, Acton and Shepherd's Bush, and I will write to him in detail to answer those points. In conclusion, there is clearly a commitment by the Government on the need for more housing, particularly affordable housing in London—

Mrs. Joan Humble (in the Chair): Order. We must now move to the next debate.

Norfolk, Suffolk and Devon (Local Government)

11 am

Mr. Keith Simpson (Mid-Norfolk) (Con): It is a great pleasure to speak under your chairmanship, Mrs. Humble. Although it is also a pleasure to see the Under-Secretary of State for Communities and Local Government, the hon. Member for Stevenage (Barbara Follett), I must say, with no disrespect to her, that many of us were hoping that the Minister for Regional Economic Development and Co-ordination, who is responsible for local government, would be here to answer many of our questions.

The purpose of this short debate that I have been lucky enough to achieve is to persuade the Minister to withdraw the orders for the unitary proposals for Norfolk and Devon or, at the very least, to postpone them. Today in the House of Lords, the Merits of Statutory Instruments Committee will be considering the Government's case for these unitaries, and it may be that it will take our proceedings into account and delay the proposals.

Ministers' recent decisions to allow unitaries for both Norwich and Exeter and a second tier for the rest of Norfolk and Devon are subject to a court hearing on 26 and 27 April. Interestingly, we have discovered that the process of the orders in both Houses may continue despite the court hearing at the end of April, so my first question for the Minister is this. What will happen if the orders are passed through Parliament and the courts find in favour of Norfolk and Devon county councils and reject those orders?

Mr. Charles Clarke (Norwich, South) (Lab): Will the hon. Gentleman give way?

Mr. Simpson: May I make a little progress and then of course I shall let the right hon. Gentleman in?

Let me briefly sketch in for hon. Members, most of whom know it, the background to the current situation. It goes back to October 2006, when the Government invited councils to submit proposals for unitaries. In March 2007 Ipswich, Exeter and Norwich submitted proposals for stand-alone unitaries based on their existing city boundaries. In July 2007, Norwich failed to meet the ministerial criteria, not least in relation to its current boundaries, and the boundary committee for England was instructed to consider the alternatives. That is a very important point because it is the start of the three-year process.

The proposal for Norwich on expanded boundaries was therefore one of those that the Ministers thought the boundary committee should consider. In February 2008, the Department instructed the boundary committee to consider new alternatives including Yarmouth and Waveney. The following July, the boundary committee proposed a single Norfolk including Lowestoft from Suffolk, with alternative proposals including a Greater Norwich and a Norfolk doughnut including Lowestoft, and a wedge merging Norwich, Yarmouth and Lowestoft. To say the least, the proposals just for the area that I am talking about are muddled. I say straight away that I am not examining the detail of the issues relating to Suffolk and Devon. Other hon. Members will wish to comment on that.

Mr. Clarke: The hon. Gentleman has not so far addressed in what respect the proposals would damage the interests of his constituents. I can see why he may have a general argument about the unitary pattern for Norfolk—he is entitled to make that case—but which specific interests of his constituents would be damaged, in his opinion, if the order was agreed?

Mr. Simpson: I am genuinely surprised that someone as experienced as the right hon. Gentleman, who has been an MP as long as I have and who has been a Minister, should assume that within the first two or three minutes I would get to the point that is coming later in my speech. I will be addressing that point and I am happy to take further interventions from him, but I am trying now to establish the chaotic way in which Government instructions were given to the boundary committee and the boundary committee then had to respond.

Mr. Henry Bellingham (North-West Norfolk) (Con): Does my hon. Friend agree that part of the chaos was completely self-inflicted by the Government and that one consequence has been the huge amount of money spent on senior local government management time and the legal cases—money that could have been better spent on hard-pressed local services?

Mr. Simpson: Yes, I absolutely agree. Indeed, in September 2008, three Norfolk councils launched a High Court action against the proposals. In November, the High Court rejected a bid to halt the process but said that equal weight had to be given to all proposals. In March 2009, the boundary committee dropped Lowestoft from its Norfolk plans. In July 2009, three Suffolk councils launched a successful legal challenge, halting the process, but that was overturned by the Court of Appeal in December 2009.

On 7 December last year, the boundary committee published its final advice to the Government for single unitaries in Norfolk, Suffolk and Devon. The Government had a six-week consultation period and, on 10 February, the Minister responsible for local government rejected the boundary committee's advice and announced that Norwich would become a unitary on current boundaries and the rest of Norfolk would stand alone. Suffolk would keep the status quo, but the Minister urged local politicians to establish a constitutional convention to discuss the best form of unitary there. Exeter was to have a unitary on present boundaries, with the rest of Devon standing alone. Therefore, with the exception of Suffolk, the Minister's final decision on 10 February was to go back exactly to the beginning—it was a matter of going forward into the past. All that money, time and effort were wasted.

I have in the past said a few harsh words about the boundary committee, but it has my deepest sympathy for the amount of nugatory work that it undertook. In some respects, one could not make this tale up. The whole process has, I believe, reflected the Labour Government's determination to establish unitary proposals that would benefit the Labour party. That was the view in Norfolk and Norwich back in 2007. After nearly three years of work by the boundary committee, we are back to square one. As my hon. Friend the Member for North-West Norfolk (Mr. Bellingham) says, a vast amount

of money and effort have been expended, which in the past year, given the economic downturn, could have been better used for the benefit of our constituents.

From the very start of the process, I was sceptical about the Government's intentions and did not believe that the proposals would benefit my constituents. I was fortunate enough to be able to initiate two debates on the unitary proposals for Norfolk, on 20 November 2007 and 9 July 2008. Rereading those debates, I have to say, with some degree of modesty, that I and others who opposed the Government's process were proved absolutely right.

The Government's final proposals for Norfolk and Devon have to be set against the five extremely strict criteria laid down in the Local Government and Public Involvement in Health Act 2007. First, the proposals must be affordable—that is, it must be established that the change represents value for money and can be met from the councils' existing resource envelope. Secondly, the proposals must be supported by a broad cross-section of partners and stakeholders. Thirdly, they must provide strong, effective and accountable strategic leadership. Fourthly, they must deliver genuine opportunities for neighbourhood empowerment. Fifthly and finally, they must deliver value for money and equity in public services. Those strict criteria had already been questioned by local councils, MPs and outside experts. I will return in a moment to the failure to meet the criteria.

Mr. Hugo Swire (East Devon) (Con): I do not want to prejudge what my hon. Friend will say, but does he not find it incredible that the then Secretary of State rejected both proposals in 2007 because they failed at least one of the five essential policy tests for implementation?

Mr. Simpson: Yes, I agree absolutely and I shall expand on that point briefly in a few moments. I want to flag up the criterion on gaining local support to emphasise that the Government's own legislation—the original Act—specifically excluded public consultation. They talk about the need for support by a broad cross-section of partners, but they never at any time decided to test public opinion in any of the three areas.

All the arguments against unitary proposals might have been brushed aside by Ministers had not letters exchanged between Peter Housden, the permanent secretary at the Department for Communities and Local Government, and the Secretary of State been placed in the public domain. We are all grateful to my hon. Friend the Member for South Norfolk (Mr. Bacon), whose letter to the permanent secretary asking whether he was seeking a ministerial direction expedited that revealing correspondence.

We know from a written parliamentary question of 10 February, submitted by my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd), that no direction had been asked for or given in the Department or its predecessor since 1997, so the Secretary of State's direction is pretty unique. An article in the *Financial Times* suggested that there have been only nine such directions throughout Whitehall since 1997. What prompted the permanent secretary to write to the Secretary of State?

Mr. Geoffrey Cox (Torridge and West Devon) (Con): Does my hon. Friend find it as astonishing as I do that the Secretary of State for Culture, Media and Sport should have accused the permanent secretary and other civil servants in the DCLG of being biased, seriously mishandling the situation and deliberately leaking the documents to undermine Ministers? Does my hon. Friend not think, as I do, that that warrants an inquiry?

Mr. Simpson: Yes, I find that incredible, given that the permanent secretary wrote to my hon. Friend the Member for South Norfolk—he may want to comment on this later—enclosing not only his letter to the Secretary of State for Communities and Local Government, but the reply.

What prompted the permanent secretary to write to the Secretary of State? In his letter of 8 February, the permanent secretary addressed the ministerial decision to allow unitaries on the current boundaries for Norwich and Exeter. He wrote:

"I do have concerns, principally about their value for money and feasibility".

He noted that

"the original proposals for a unitary Exeter and Norwich do not meet all the five criteria (in particular they do not meet the affordability criterion) but you intend to implement them nevertheless".

On the Secretary of State's argument that a unitary Norwich and a unitary Exeter would eventually achieve economic gains, the permanent secretary wrote:

"The evidence for such gains is mixed and representations that you have received provide no evidence to quantify such benefits".

The permanent secretary concluded:

"My clear legal advice is that the risk of decisions for a unitary Exeter and Norwich, and indeed for not taking action on Suffolk, being successfully challenged in judicial review proceedings is very high".

On 10 February, the Secretary of State replied, spelling out the reasons behind the ministerial—that is, the political—decision and giving the permanent secretary a direction. The Secretary of State argued:

"We have given careful consideration to the circumstances in which there are compelling reasons to depart from the presumption that proposals that meet the criteria are implemented, and those that do not are not implemented".

The Secretary of State kept referring to advice that he had received as the basis of his decision. Who gave that advice? It certainly was not the boundary committee or the permanent secretary. What was that advice? A Freedom of Information request looking into all the letters, e-mails and notes of telephone conversations in the Department would perhaps be revealing. I have in mind the names of one or two external people who might have given that advice. At the very least, the Minister should publish the advice.

The Secretary of State admitted:

"I accept that the Boundary Committee process did not produce evidence to quantify these benefits but nor did we think it right to set these potential benefits…to one side."

That refers to the nub of the ministerial case that in the case of

"a unitary Exeter and a unitary Norwich, we consider that each would be a far more potent force for delivering positive economic accounts both for the city and more widely than the status quo two-tier local government".

That partially economic and partially political argument overrides all the other evidence produced by the boundary committee and, indeed, previous ministerial advice.

Mr. Swire: I hope to enlarge on this later, but is my hon. Friend aware of the fact that most of Exeter's predicted growth area—the airport, the Skypark and the business park—falls outside the current city boundaries and will be under the jurisdiction of the excellent Devon county council?

Mr. Simpson: My hon. Friend is quite right. There are so many contradictions in the proposals. When I lectured Army officers, it was clear to me that the Army was very good at lessons learned, and that was true of both successes and failures. In terms of lessons learned, the current proposals would come under the heading of a big failure. Indeed, our friend Mr. Peter Riddell of *The Times*, who is a powerful influence in the Institute for Government, should use them as a case study of how not to conduct local government.

Despite recognising all the weaknesses in the ministerial case, the Secretary of State concluded:

"I acknowledge that the Minister for Local Government and I have been advised there is a high risk of successful legal challenge particularly to decisions to implement a unitary Exeter and a unitary Norwich".

It is game, set and match, just on the basis of that exchange of correspondence.

Mr. Charles Clarke: Fifteen minutes into his speech, the hon. Gentleman has not identified one single respect in which the proposal for a unitary Norwich could damage his constituents' interests. Will he address that?

Mr. Simpson: As an old student activist, I recognise the right hon. Gentleman's concern that he is on a sticky wicket. I am about to do as he asks. I have already damaged his main case and I will happily expand, without taking too much time, on how the proposals will damage my constituents' interests; indeed, I will tell him how they have damaged them over the past four years. I say that because he and Baroness Hollis have been two of the leading advocates of the proposals and any FOI request may well discover the heavy influence that they have brought to bear on Ministers.

Ultimately, the ministerial proposals come down to the vague assertion that a unitary Norwich and a unitary Exeter could be a potent force for delivering positive economic growth. In the case of Norwich, there is absolutely no evidence for that—indeed, the exact reverse is true. As somebody who was born and bred in Norwich, I say with great sadness that Norwich cannot meet the proposed criteria under a Labour council.

Under Labour, Norwich city council has been an unfortunate example of local government incompetence. Recently, it has effectively been put in special measures, with a chief executive drafted in. It gets low scores on nearly every criterion by which local government can be judged. Last year, the director of housing was sacked because of a housing scam. That is the example that the Government want to give us in terms of economic growth. I have sympathy with the right hon. Gentleman, who would have a much stronger case if Norwich city council was a five-star council that really would be an engine, rather than a sheet anchor, for the rest of Norfolk

What will happen to the rest of Norfolk—to my constituents and those of the majority of Norfolk MPs—under the Government's proposals for a unitary Norwich? The Government do not know; it has not been spelled out. It is assumed that there will be working groups involving the current leaders of Norwich city council, who have avoided an election in May, and the leaders of Norfolk county council and the district councils.

There will be a widespread break-up of common services, which will cost more and lead to more duplication. My constituents will feel the impact in education services, because there will presumably be two directors of education and two education services. In outlying districts of my constituency and the constituency of Norwich, North, such as Spixworth, Old Catton and Taverham, that will cause major problems for parents trying to get their children into school.

What about support for children? We have a big enough problem now with cases of child abuse and, sadly, child murder. The one lesson that comes out of all the studies every year is that the existence of too many authorities is invariably a weakness. However, we are going to add another authority. I hang the proposals around the heads of those urging us to implement them as the worst kind of example.

Libraries, the fire service—everything will cost more in the short term. There will be more posts of one kind or another, and some people will do very nicely, but my constituents will not. Unless the Minister can argue that the proposed services—we do not, of course, know what they will be—will be the same as, if not better than, the services currently provided by Norfolk county council, I would certainly reject the proposals.

Ministers are keen to talk about empowerment and stakeholders, and the senior civil servant at the Department who is responsible for unitaries even has the title "Deputy Director, Local Democracy", but there is no support of significance for the proposals throughout Norfolk or even in Norwich: there has been only a lukewarm response. There were approximately 1,424 responses to the Department's consultation on the boundary committee's proposals for a Norfolk unitary, held between 8 December 2009 to 19 January 2010. I accept that that is not a proper survey and the Government are not interested in holding a referendum on the question, but just on the Norfolk proposals, 85 per cent. of those who submitted comments wanted the status quo, 10 per cent. were in favour of a Norfolk unitary, and 3 per cent. wanted a Norwich unitary. Is that what local democracy is all about? I am concerned not just about the likely impact on my constituents, but about the impact on the people of Norwich. The proposal would not provide them with what they want. It would mean two or three years of chaos, confusion and reorganisation, to the detriment of constituents across the board.

I urge the Minister to withdraw the proposals. My hon. Friend the Member for Bromley and Chislehurst (Robert Neill), who is our Front-Bench spokesman, says that in the event of our winning the general election, we would reverse the proposals. Most people in Norfolk would say amen to that.

11.21 am

Mr. Hugo Swire (East Devon) (Con): I do not wish to detain right hon. and hon. Members for too long, because my colleagues are well represented here this morning and want to contribute. I shall talk about the economics of the matter; others will rehearse the political

side and the influence of the Secretary of State for Culture, Media and Sport, who is the Member of Parliament for Exeter. He has made extremely unfortunate remarks about the permanent secretary at the DCLG, which I agree should be looked into. Ministers simply cannot go around making accusations about senior civil servants, and the right hon. Gentleman should know better.

I am in despair about the idea of Exeter going it alone as has been proposed, and I can do no better than to quote paragraph 5.5 of the advice that the boundary committee gave the Secretary of State on unitary local government in Devon, in December 2009, which stated that

"were Exeter alone to become a unitary authority on its existing boundaries, and the remaining area of the county to stay two-tier, there would be serious questions over the ability of the two-tier area to function effectively as a unit of local government".

That is one view. Another view is that Exeter alone would not be able to function usefully as a unitary. That is not only my view. It is also the view of Councillor Saxon Spence, the leader of the Labour group on Devon county council, who said:

"Regarding the Exeter proposal...I have made it clear it would require considerable financial support. I would not like to see the setting up of an authority without the capacity to deliver services, and I do think that there would need considerable financial underpinning...Times are not, perhaps, too promising."

After 11 or 12 year of Labour Government I say "Hear, hear." Times are not promising.

It is extraordinary that such an amount of money should be spent on something that I believe will not happen, when there are areas in all our constituencies that are crying out for funding for front-line services. I am concerned about the future of the Rolle college site in Exmouth, of Exeter college in Exeter and of Bicton college in my constituency, which is threatened with merger because of lack of funding from the Learning and Skills Council. Does the Minister, in her heart of hearts, think that the exercise provides value for money for the taxpayer? Given that the Conservative party has said it will not implement the proposal, is not it better, even at this late stage, to heed the advice of the permanent secretary and many bodies and accept that it should not go ahead?

Finally, let me comment on the idea that Exeter can grow, as a city and a vibrant economic entity, as a unity authority. Exeter is a great city and the capital city of our county, which is one reason many of us do not want it to be ripped out of the county. As I said in an intervention, much of the economic success on which it relies can occur only through the use of land that is now in East Devon. I am thinking of Exeter airport, the proposed new science park, the intermodal rail-freight terminal, the new business park and Cranbrook, the new town. The highways authority will continue to be Devon county council, outside Exeter. In other words, all the projected areas for growth in the area will remain under the jurisdiction of Devon county council, largely in East Devon.

A line between Exeter and that development will be an impediment for the constituents of Exeter and will be unworkable—unless Exeter's plan is eventually to try to expand the city boundaries to include the airport and the surrounding areas of economic growth. However, we must take the proposal to be what we have been told, and on the face of it, the answer to the question of whether Exeter will be better off on its own, without that land, must be no. Will Devon county council function better without Exeter? The answer is no. Are the existing district councils working better? The answer is yes: enhanced two-tier working is working extremely well. East Devon district council works closely with South Somerset district council and is beginning to make economies for the taxpayers of East Devon.

I suspect that it will be as a result of freedom of information requests and a change of Government that we finally discover what has really gone on in the Department and what influence current and past Secretaries of State have had on Ministers. To make this decision so late in the day is a great shame, and it will be to Ministers eternal shame if they go ahead with it.

11.26 am

Mr. Charles Clarke (Norwich, South) (Lab): I apologise for having a cold today; I hope it does not spread to too many Opposition Members.

Perhaps I may begin with the fundamentals of the argument, which are that the case for unitary local government is very strong. It is accepted all across Scotland, Wales and urban England, and many other parts of England, for reasons of the efficiency, co-ordination, transparency and costs of government. That is the reason for the process. I am a strong supporter of unitary local government and think that it is generally the right way to go. It gives citizens greater purchase over the decisions of the organisations that take decisions about their lives, and is more efficient and effective. I could give myriad examples of the truth of that from the city of Norwich, and I think it is true elsewhere.

However, I have some common ground with the hon. Member for Mid-Norfolk (Mr. Simpson) in that I concede that the process in the case that we are debating has been incompetent to a great extent. Both in the time taken and in its operation, it has been damaging. I found the decisions of the boundary committee at various stages incomprehensible. I think that all hon. Members in the House would probably agree that its original preferred option of a unitary Norfolk plus Waveney had no support at all, anywhere.

The process gives rise to serious issues, but I do not think that that extends to the final decisions, which will be debated in the House in due course. However, I must concede that the process has been time-consuming and has taken great energy and resource, and that that was very serious.

I do not associate myself with those who criticise the permanent secretary at the Department for Communities and Local Government. I knew Peter Housden extremely well when he was the deputy secretary responsible for schools and I was Secretary of State for Education and Skills. He is a civil servant of great integrity and experience of local government, and he will have had his own views on the matter, and expressed them. I do not think, however, that that concession on my part undermines the case for the Secretary of State's decision and the way that he needs to take it.

Mr. Cox: Does the right hon. Gentleman agree that it is wrong, in the light of the remarks that he has just made, for a member of the Cabinet to accuse senior civil servants of bias, leaking information and seriously

[Mr. Cox]

mishandling the situation for years? Does he not agree that Ministers should take responsibility for their Departments' decisions, not pillory civil servants for their Departments' mistakes?

Mr. Clarke: I have not seen the remarks that the hon. and learned Gentleman refers to, so I will not comment on them. I agree that Ministers should take responsibility for their decisions. I have carried that through in my own political career; it is important not to offload on civil servants. That is one reason why I commend the Secretary of State for Communities and Local Government for taking the decision that he has, having heard the advice and rightly exchanging correspondence with the permanent secretary. That is the perfectly correct process. The Secretary of State is entitled to make the decision that he has, and I am glad that he has done so.

Throughout this process, I have favoured a solution founded on a unitary Norwich based on wider boundaries, rather than on either one, two or more unitaries for the rest of Norfolk. I have always thought that that was more logical, and I hoped that the boundary committee would come to that view, because it would have been a preferable situation to the one we have at the moment. In that context, it is laughable to suggest, as the hon. Member for Mid-Norfolk did, that all this is happening because of some process of political advantage. Any political aspects of it are certainly not advantaging the Labour party in Norwich, or anywhere else, and that is even more the case on a wider boundaries basis.

Anybody who makes such an allegation is perhaps not looking too carefully at the twin-hatters in their own constituencies—members of their constituency associations—who are collecting their two payments as district and county councillors. The hon. Gentleman should look carefully before making allegations about political interest in that regard.

Mr. Keith Simpson: Will the right hon. Gentleman confirm that, as a consequence of the proposals, the May elections are to be cancelled in Norwich, when there was every likelihood that the Labour party would be wiped out?

Mr. Clarke: I do not concede that in any way. For a long time, Labour's view in Norwich has been that it is better for local elections to coincide with general elections because turnout is higher in general elections, and that is what we, as a Labour party, generally favour. These orders take away the elections that would have coincided with the general election and replace them with a new election in a year and couple of months' time—May 2011—which will not coincide with a general election, unless there are extraordinary circumstances. That is not in Labour's interests. I would have thought that the hon. Gentleman would be pleased about that.

The orders will also lead to the re-election of the whole of Norwich council. If the hon. Gentleman was concerned about the efficiency or otherwise of Norwich city council under Labour leadership over this period, I would have expected him to welcome the fact that within just over a year there will be a chance to have a whole-scale election of a new authority, in which his political colleagues can make those cases against Labour. I do not accept, therefore, the issue of political advantage in this context.

The position that the Secretary of State is faced with—I think we are faced with it, too—is whether we prefer the status quo or the proposal that he has, I am glad to say, made for a unitary Norwich on existing city boundaries. As I have said, that is not as good as a unitary Norwich on extended boundaries, but nevertheless it is significantly better than the status quo.

I have made representations. I wrote to the Secretary of State during the consultation that took place after the boundary committee recommendations were made, saying that I favoured going for unitary on current boundaries—no doubt that will be published in due course. That is my position publicly, privately and in every other way. Why? Because there are benefits to unitary local government, and they will affect and benefit my constituents directly.

We have an example in the centre of Norwich right now, in the proposals for urban pedestrianisation of Westlegate, which were blocked by the Tory county council and will now, I am glad to say, be carried through. Opinion in Norwich has been fired up by the decision of the Conservative county council to close two day centres in my constituency, turn off the street lighting in just about every street in the city between midnight and 5 am—based on the experience of rural villages—and cut out the money that comes to schools in particular difficulty in areas of poverty, which affects my constituency in particular. That is a string of Tory county council decisions that take no account of the needs and desires of the citizens of Norwich. That is why those citizens—I speak only for Norwich—believe that unitary local government is better for them, as indeed it is. It is more efficient, transparent and cost-effective, and that is why I support the order.

The hon. Member for Mid-Norfolk talks about Norwich's incapacity to take such decisions. If unitary councils such as Hartlepool, Darlington, Bracknell Forest and Halton, which are significantly smaller than Norwich, and ones of broadly the same size—Middlesbrough, Cleveland and Redcar, Blackburn with Darwen, Blackpool, and Reading—can take such unitary decisions, I do not accept that Norwich cannot. If there are arguments about the competence or incompetence of Norwich city council, let those arguments be resolved by the electors of Norwich in the election in May 2011. That is the right way to do it.

Mr. Simpson: There has been no real test of opinion in Norwich. A survey was done about three years ago by the *Eastern Daily Press*, which showed a minority in favour. Neither the right hon. Gentleman nor I has any basis of opinion, apart from the replies that were sent in to the Department for Communities and Local Government, so any idea that there is popular support is questionable, to say the least.

Mr. Clarke: With respect to the hon. Gentleman, I think that I am in a better position to comment on that than he is, as far as the city of Norwich is concerned. The challenge I put to him and his Front Benchers is that they look to the general election when it comes on 6 May, as I believe it will, because I, as the Labour candidate, and the Lib Dem and Green candidates will support unitary Norwich on current boundaries. I think that the Conservatives will not.

I note that the hon. Member for Norwich, North (Chloe Smith) is not in her place, and I am not sure what her view on the situation is, but I would be interested to hear it because about 40 per cent. of her constituents are in Norwich—*[Interruption.]* She is apparently on a visit to Auschwitz. I did not know that. I respect that. It is obviously a good reason not to be here, and perhaps a better thing to do than be here. The argument that Norwich cannot run its own affairs is not warranted, however.

My final point is that I do not accept what the hon. Member for Mid-Norfolk said about the interests of his constituents being damaged by a decision about Norwich. He is entitled to make an argument for his own constituents, but it is wrong to say that a unitary Norwich on current boundaries damages his constituents. It leaves Norfolk county council with about 85 per cent. of its current responsibilities across the rest of Norfolk, and the argument that he has to make is that Norfolk county council, which is generally an efficient county council, will not be able to deliver services to the same level to his constituents in Mid-Norfolk when it is running 85 per cent. of the county compared to 100 per cent. I see no argument for that whatever, it simply does not stack up.

The hon. Gentleman is entitled to his view that a unitary Norwich is wrong—he knows Norwich very well and can come to that view perfectly reasonably—but I do not believe that he can come to that view and at the same time claim to be speaking for his constituents. His constituents' interests will not be affected one iota by unitary status for Norwich, and I hope that the Secretary of State's orders go through Parliament and that he maintains his position on the matter.

The hon. Gentleman referred to the judicial review process, and I was amused that Norfolk county council decided to join with Devon county council to go through that process together, as though they were the same case, which they are not. They had to take solicitors from Tunbridge Wells to represent their case, rather than from the myriad effective law firms in Norwich. I do not think that they are on strong ground; they should not be. The change will advance the residents of Norwich, and I hope that it goes through.

Several hon. Members *rose—*

Mrs. Joan Humble (in the Chair): Order. May I point out to those Members who wish contribute to the debate that I intend to start calling the Front-Bench speakers at about 12 o'clock? I would be grateful if speakers limited their contributions.

11.39 am

Angela Browning (Tiverton and Honiton) (Con): The Government originally set five criteria for unitary status: strategic leadership, neighbourhood empowerment, value for money, affordability and a broad cross-section of support. We have had many discussions with Ministers over the past four years about the proposal for a unitary Devon, or a unitary Devon minus Exeter. We already have unitary authorities in Torbay and Plymouth, and have made the case that unitary has not been a great success in Devon. Anyone who has witnessed what has happened in Plymouth and Torbay will admit that those areas do not have the critical mass to be totally successful. As we see at every election, that results in a change of—

Mr. Gary Streeter (South-West Devon) (Con) *indicated dissent.*

Angela Browning: My hon. Friend disagrees with me; he will no doubt make the case for Plymouth.

Ideally, we need a critical mass. In setting those five criteria, the Government were right to turn down previous applications, for a unitary Devon or a unitary Devon minus Exeter, because they simply did not meet the criteria. As my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) reminded the House, the Government have suddenly changed the criteria without giving any evidence of the analysis on why a change was necessary.

Ministers simply say that they are compelled to depart from the presumption that the five initial criteria are necessary, without acknowledging that there has been no analysis. That gives rise to the question, from those on the Opposition Benches and the members of the public we represent: why did they change their mind without the proper analysis? There must be another reason for suddenly rushing it through on the eve of a general election. It comes close to breaking the ministerial rules about making significant changes in the run-up to an election.

One therefore questions what is behind the change. There is clearly something behind the decision to which we are not privy but Ministers are. That not only raises concerns about the way in which the Government have conducted themselves over the matter, but it adds to our concern about what may be left in Devon if the Government are successful in making the change and if a future Conservative Government did not overturn it, as has been promised. There is no doubt about our discussions with Ministers. Indeed, a Minister who came to the Department straight from the Treasury considered the matter in some detail a couple of years ago, and decided that it clearly did not meet the criteria. He therefore turned down the latest proposal.

Those who have seen the details and the financial analysis have rejected the proposal, but suddenly all the rules have changed, and on the eve of an election the Government want to rush it through. There must be another objective to the outcome that the Government claim for it. It is not in the interest of the city of Exeter, nor is it in the interests of the rest of Devon.

My constituency surrounds Exeter, and covers both the Mid Devon and East Devon district council areas, but after boundary changes my constituency neighbour, my hon. Friend the Member for East Devon (Mr. Swire), will have responsibility for the East Devon council area, which includes the airport and the new town of Cranbrook. It is a carpetbagging exercise. It is essential, in the early stages, that Exeter should have the critical mass to make it viable.

I bring to the attention of the House some of the comments made in a letter to the House of Lords Select Committee on the Merits of Statutory Instruments, by Sara Randall Johnson, the leader of East Devon district council. I totally endorse her comments. She said that

"the Government confirms that its 'priorities today are…jobs and economic growth'. I would most certainly concur with this"—

as do I—

"and the acknowledgement that local government has an essential role to play in delivering these economic priorities…'this role is of a significance that could not be contemplated in 2006 when the criteria were developed'."

[Angela Browning]

So say the Government.

The letter continues:

"It is a matter of record that even before 2006 local government in Devon was strongly focused on jobs and economic growth".

For example, the Met Office relocated from Bracknell to Devon, and there has been an expansion of Exeter airport's industrial base. There is also the proposal to go ahead with the new town of Cranbrook, virtually on the same site; that will be an enormous development in that part of the county in the coming years. However, there is no new economic growth in Exeter that was not apparent under the existing two-tier system. It has not stultified economic growth and it has not stopped major companies redeploying to the Exeter catchment area.

I represent that rural hinterland that the city of Exeter wishes to bring within its city boundaries. It is a travel-to-work area. Many of my constituents travel from the Mid Devon and East Devon areas to work in the city. In that regard, the city of Exeter, Devon county council and the two district councils have had a good working partnership—we often hear the word "partnership" bandied about. I am astonished that the Government wish to destroy that partnership in order to railroad through something that can only be politically motivated.

11.44 am

Mr. Gary Streeter (South-West Devon) (Con): I shall be mercifully brief, Mrs. Humble. I refer to a letter of 10 February 2010 sent by the Minister's Department to all Devon authorities that justifies the extraordinary decision to grant Exeter unitary authority status.

The Minister agrees with her predecessor that the case for Exeter does not fit the criteria, but none the less goes on to say that there are two compelling reasons for going ahead. Those reasons are not qualified, but she still finds two reasons to depart from normal procedure and grant Exeter unitary authority status. First, she refers to economic regeneration. She says that a unitary Exeter would be a far more potent force for delivering positive outcomes for the city and more widely than the status quo of two-tier local government. My hon. Friends the Members for East Devon (Mr. Swire) and for Tiverton and Honiton (Angela Browning) both spoke about that.

My question to the Minister is this: what is the evidence for making that statement? If it is a compelling reason, surely it must be backed by evidence. However, no evidence is given in the letter. Indeed, it flies in the face of common sense and the experience of the last few years, as my hon. Friends have said. It is not a compelling reason. It is a blind leap of faith, and it is certainly not sufficient to set aside the normal criteria.

Perhaps I am being unfair. Perhaps the second reason is more compelling. The Minister says that a unitary Exeter could open the way for improvements to the quality of public services. She gives no evidence for that startling assertion, but she does not say that it will happen or why the Government are convinced about it. She says that it could happen, meaning that it may happen—meaning, of course, that it may not. What kind of compelling reason is that?

I agree with my hon. Friends. This extraordinary decision is not motivated by a desire to give the city of Exeter some kind of economic regeneration or to favour its status over the rest of Devon. It is a cynical political decision. Frankly, it is beneath the Government to stoop that low.

Mr. Swire: Is it?

Mr. Streeter: I like to give people a fair chance. Even after 18 years in the House, I have not come across such a political and cynical decision. It will not benefit the people of Exeter. It will be to the detriment of the rest of Devon. It should not proceed.

11.47 pm

Mr. Richard Spring (West Suffolk) (Con): I congratulate my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) on introducing the debate.

I wish to speak for Suffolk and to consider the process of this extraordinary decision. In February 2008, the boundary committee began to consider a structural review for local government in Suffolk. In July 2008, it presented its first draft proposal. It bore no relationship to the historic entity of the county. For example, Lowestoft was taken out. In March 2009, the committee released a second set of proposals. A one-Suffolk proposal was formally made, but once again Lowestoft was excluded.

One of the first criticisms that come to mind over the idea of a unitary authority that covers the whole of Suffolk is that decision making would be remote. My constituents in places such as Brandon, Mildenhall, Newmarket and Haverhill would find the idea of local services being concentrated in Ipswich and the eastern part of the county of little appeal.

The boundary committee has been charged with considering the proposals for reform. According to the district and borough councils with which I have been in contact, it has steadfastly refused to listen to their concerns. The so-called three council alliance spoke of the committee being inconsistent by attempting to say that it is listening to and considering all proposals yet simultaneously refusing to engage in any dialogue about proposals other than its own. A poll commissioned by the three councils found an overwhelming rejection of the committee's proposals. The people of west Suffolk are against the change.

The serious question is one of cost. The counter-proposal advanced by the three council alliance claims that more than £34 million savings of net outgoings can be made by the three unitary authorities. It has been estimated that the cost of transition and implementation for the one-Suffolk option, which would be an enormous unitary covering the entire county, would be at least £25.5 million. This is at a time when councils are under considerable pressure. In addition, there are the costs of the boundary committee. According to the answer to one of my past parliamentary questions, the boundary committee had spent £282,535 up to March last year, and budgeted a further £269,782 for the current financial year. What has been the result? The Government have ignored the recommendations of their own quango and announced that consultations will continue. Repeated reorganisations of public services cause considerable dislocation and a great deal of cost. The irresponsibility of such a move is made all the more acute by the fact that the Conservative party has made its position clear on the matter of reorganisation. We are close to a general election, and it is the height of irresponsibility to be proceeding on any basis at all. This should be a matter of party political consensus.

It is with weary alarm that I look at the current plans for local government and the controversy and in-fighting that is accompanying them. The Secretary of State has decided against the introduction of the so-called one-Suffolk council, or the boundary committee's preferred alternative of an Ipswich-Felixstowe unitary authority, on the grounds that

"neither option is supported by the principal councils in the county."

That sentiment is to be greatly welcomed. However, one wonders why such a decision was not reached much earlier, particularly when one considers the arguments that I have been proposing. It should be noted that the issue has been left up in the air. Forest Heath district council and St. Edmundsbury borough council said:

"The ministerial announcement that there will be a Constitutional Convention to determine the future shape of local government in Suffolk prolongs uncertainty and undermines management taking long term decisions."

The drift, the uncertainty, the waste and continued expense of trying to fight an unwanted and uncalled for reorganisation that has run for years and failed to come to a conclusion, still rolls onwards to who knows what end. We simply could not make up such a fiasco.

11.52 am

Mr. Richard Bacon (South Norfolk) (Con): I am grateful to have the opportunity to take part in this debate. I want to focus on the narrow issue of the correspondence between me and the permanent secretary of the Department for Communities and Local Government, to which my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) referred in his introduction. Since that correspondence, there has been an extraordinary and indefensible outburst from the Secretary of State for Culture, Media and Sport, the right hon. Member for Exeter (Mr. Bradshaw). I should like to hear the Minister, on behalf of the Government, condemn what was said and state, on the record, that civil servants have done nothing wrong in relation to such matters.

I wrote to the permanent secretary, Mr. Peter Housden, on 3 February. As a member of the Public Accounts Committee, I see permanent secretaries from various Departments twice a week, and have done so for the eight-and-a-half years that I have been a member of the Committee. I am familiar with the fact that one of the titles of the permanent secretary—it is the reason why the permanent secretary is the witness before the Public Accounts Committee—is accounting officer. Permanent secretaries are legally, as opposed to politically, responsible to Parliament for the effective, efficient and economic use of public funds.

This morning, I was at a seminar, which was chaired by the admirable Peter Riddell, at which a former senior Labour Cabinet Minister, who has only recently stepped down from the Cabinet, said, "Ministers are there to represent the public interest first and foremost in obtaining value for money in the use of public resources. That is their job. It is the job of accounting officers, of permanent secretaries, to stand behind them to make sure, if there is any falling short from that standard, that they notify it to the appropriate authorities."

The right hon. Member for Exeter accused Mr. Peter Housden of being biased and said that he was not surprised that the documents had been leaked. May I say for the record that the documents were not leaked? They were sent to me in response to a letter that I had written to the permanent secretary. Mr. Housden copied them to the Cabinet Secretary, Sir Gus O'Donnell. I can hardly think of a less likely way to leak something than to send a copy of what one is doing to the Cabinet Secretary. In his letter, which he also attached to the Secretary of State, he said that

"I am concerned that the approach you are currently proposing"—

that is the approach currently proposed by the Secretary of State—

"makes it difficult for me to meet the standards expected of me as Accounting Officer."

Far from leaking the documents, he did the right thing.

As for seriously mishandling the situation, I have since had a letter from the Comptroller and Auditor General to whom I also copied the correspondence. It is a fact of the nature of requesting a direction from a Secretary of State that the permanent secretary will also send copies of it to the National Audit Office and the Comptroller and Auditor General. In his letter, Mr. Housden alludes to that. He says:

"As I am required to do, I will send copies of your instruction and this letter, to the Comptroller and Auditor General, who will normally draw the matter to the attention of the Public Accounts Committee."

In his letter to me, which I received yesterday by e-mail, the Comptroller and Auditor General said:

"The Accounting Officer has followed the correct procedure for raising his concerns about the value for money of the scheme by seeking a Direction from his Secretary of State and notifying me. In accordance with the provisions set down in 'Managing Public Money'"—

which is a Treasury guidance document—

"I have notified the Chairman of the Committee of Public Accounts of this Direction."

[Mr. Martyn Jones *in the Chair*]

In other words, there is no question but that the permanent secretary has acted properly.

The reason he acted properly is that he was concerned that the approach being proposed by the Government was improper, an indefensible use of public funds, unfeasible in the sense of being undeliverable, and almost certainly unlawful. In such circumstances, he did exactly the right thing. I see that Mrs. Humble has transmogrified into you, Mr. Jones, in the last couple of seconds, so I will address my concluding comments to you.

I repeat my request to the Minister to ensure that we all understand, on the record, that the behaviour of that civil servant has been in the finest traditions of the civil service rather than against them. We all understand that the career of the Secretary of State for Culture, Media and Sport has, in some ways, been an anger management therapy and a working out of his feelings towards his former employer at the BBC, but that is not a reason to lash out at civil servants, and I hope that the Minister will confirm that.

11.57 am

Dan Rogerson (North Cornwall) (LD): It is a pleasure to serve under your chairmanship, Mr. Jones. I congratulate the hon. Member for Mid-Norfolk (Mr. Simpson) on securing this debate. He, like many hon. Members, has pursued this issue throughout the process on which

[Dan Rogerson]

local authorities in many parts of the country have embarked. Some issues were settled earlier on to the satisfaction of some and the dissatisfaction of others. In these three counties, however, the process has been particularly poorly handled. It has dragged on, and the goalposts have changed repeatedly. The Government's guidelines have been altered, and various bodies have been asked to examine a problem that is essentially of the Government's own making.

The hon. Gentleman referred in his opening remarks to the chaos that has been generated by the process, and I agree with him. We have a process that effectively paralyses local government at a time when it faces hardship, particularly in the provision of services. Speaking both on behalf of my party and in a personal capacity, I wish to say that there is a logic to unitary local government. In some places, it works very successfully. We have just embarked on the process in my own area in Cornwall. The issue facing us today is not necessarily one of two-tier authorities or unitary authorities being better able to cope with the problems facing an area. It is about how one considers the process of change and whether local people or local organisations have been able to influence the debate on matters that deeply affect them.

It is perhaps also important to reflect on the fact that the areas where these issues were settled some time ago were sticking to the Government's original timetable. Although the process may have been chaotic in the parts of the country that we are discussing today—the three counties of Devon, Norfolk and Suffolk—people in other areas may well look back and think differently.

Mr. Swire: Given what we have heard the permanent secretary say and given the fact that the Conservative party has said that it will not allow these changes to happen, does the hon. Gentleman not take the view that other hon. Members have taken today that now is not the right time for any of this change to go ahead?

Dan Rogerson: My view is that, having had a process that has been dragged out and having had a timetable that has been altered on several occasions, it seems rather strange that we are suddenly having a conclusion brought with undue haste just before a general election. When issues remain to be settled, or even addressed, there is a very good case for looking at the process after the general election that we are likely to have in the next few weeks or months.

Mr. Charles Clarke: Will the hon. Gentleman confirm that, in the case of Norwich, this process was initiated some years ago, when the Liberal Democrats ran Norwich city council and strongly supported the process? It remains the case that the Liberal Democrats in Norwich support the proposal of a unitary Norwich authority, based on current boundaries. I wonder whether he acknowledges that and whether he accepts that the case for these changes is being made not only by the Labour party, but by the Liberal Democrats and the Green party.

Dan Rogerson: The point that I was making, in response to the previous intervention by the hon. Member for East Devon (Mr. Swire), was about timing; it was not necessarily about the merits of an individual case, because those who are best placed to determine the merits of a case are the people in the areas concerned. So I am not seeking in any way today to wade in and intervene in local grief or local triumph.

My purpose in my contribution today is to say that the process has been handled incredibly badly and that, when something such as this change is happening, there is an opportunity to encourage local people to come forward, take a view and become involved in a process that may lead to more efficient local government in their area. However, there is nothing so frustrating for people who have taken part in such a process as feeling that it is a tokenistic exercise and that whatever they have to say will not be listened to and, in the great scheme of things, not count for very much.

We could perhaps draw a parallel with the regional spatial strategy process, whereby people have made an input to a document that, in theory, could have huge implications for a local area if those strategies are enforced for very long, which remains to be seen. Again, people who have responded to consultations, such as those on the RSS, have said that they have not felt that those responses have been taken seriously. One therefore wonders whether, on a future occasion when any Government are consulting on serious proposals such as these changes, people will be encouraged to engage with that consultation process, regardless of the merits of the proposals.

We started out with the Local Government and Public Involvement in Health Act 2007, which enabled the creation of further unitary authorities. As I have said, I am sure that some people in certain parts of the country will welcome such authorities, because there is a logic to unitary government and unitary authorities can be very successful.

We have had a bidding process, but, as I said earlier, it has had a tight time scale. There was huge pressure to bring forward bids from different areas, without people in those areas having an opportunity to discuss whether or not they felt that making a bid was the right thing to do. So county councils of different political complexions around the country put in proposals, and district councils did the same thing. In a lot of those areas, the bidding process became one whereby people were divided one against the other.

I suppose that it is quite natural for an authority's officers and members to feel some loyalty to it and, when they are threatened with change in a very short time frame, to dig in their heels and say immediately that they want to preserve the status quo. Some of the bids were therefore perhaps not as imaginative as they could have been. The hon. Member for Tiverton and Honiton (Angela Browning) referred in particular to issues in Torbay, where a small unitary authority has switched political control and where people are now experimenting with the elected mayor concept. Of course, we will see what happens in a future election there.

Angela Browning: I noticed that the hon. Gentleman's party colleague, the hon. Member for Torbay (Mr. Sanders), suggested on television yesterday that we get rid of the mayor of Torbay. I hope that he does not agree with that suggestion.

Dan Rogerson: I have always had reservations about the idea of elected mayors. When I served as a local councillor, I always welcomed the fact that we had the

opportunity to discuss things among ourselves and to work together as a wider group. Of course, I was a councillor under the old committee system, which I thought was very good and served many areas very well. Unfortunately, the Government have forced a narrow range of options on local government.

The people of Torbay will be able to respond to another point on a far more well-informed basis than I can. As the unitary authority there was perhaps struggling in some service areas, I wonder whether the bid for a referendum for an elected mayor was seen in that light. Consequently, whether or not an elected mayor will be the right solution for Torbay remains to be seen.

In response to the question put by the hon. Lady, I am not personally convinced that elected mayors are necessarily the best option. I would prefer a system under which more elected representatives have the opportunity to contribute. However, the problem with unitary authorities such as the one in Torbay is that they are small and it is very challenging for them to provide services. There could have been an opportunity to look at the wider issues relating to the existing unitary authorities. That idea was talked about at one stage, but because of the original timetable that the Government set, that proposal was set aside.

We have also had proposals for county unitaries or super-unitaries, which would perhaps struggle to provide services at the other end of the scale. They would be to remote from local people. Unlike some of the unitary authorities that were created last year, some of those bigger county unitary authorities will find it very difficult to engage with local people. That is why all these proposals were unable to command great support from the local community in each area.

We have had a process that was originally led by local authorities that were trying to get the best for their local areas from what was put on the table by the Government; we had inconclusive results; the boundary committee for England was then brought in to see whether it could sort out the mess that was left behind, and it proposed large county-wide unitaries and one urban authority in Suffolk. Again, those proposals did not seem to meet the needs or aspirations of local people and the local authorities that currently exist.

We are where we are now, and the Government have stepped in shortly before a general election to attempt to impose a solution, particularly in Devon, where they have attempted to impose a solution on Exeter. I understand that all the political parties that are represented on Exeter city council have supported a unitary authority. However, despite that support, there must be great concerns about the ability of a unitary authority of that size to deliver services effectively.

Furthermore, as other Members have already pointed out, there are knock-on effects for the surrounding authorities, too. I think that the right hon. Member for Norwich, South (Mr. Clarke) tried, in effect, to build a wall around Norwich and to say, "These issues affect people in Norwich, but they don't affect the wider Norfolk area". However, that is not true. Quite clearly, there will be significant effects on the area surrounding Norwich.

Mr. Charles Clarke: I was trying to make the point that, if Members argue that there are effects on their own constituents outside Norwich, or for that matter outside Exeter, it is incumbent upon them to explain what those impacts are. I have not yet heard—not just today, but ever—any serious argument that the interests of the constituents outside Norwich or Exeter are affected negatively by the decision for Norwich or Exeter.

Dan Rogerson: The right hon. Gentleman has made that point before, and it is clear that representatives of other parts of the areas affected feel differently.

Mr. Bacon: May I invite the hon. Gentleman to suggest another reason why other constituents could be affected by these changes? For example, in my constituency, which immediately abuts the city of Norwich, when the unitary authority proves to be unviable—if it goes ahead at all—because it is too small and run by people who could not run a whelk stall, it will want to expand its boundaries, encroach upon our area and come after my constituents for higher council tax payments in return for a poorer service.

Dan Rogerson: The hon. Gentleman has made the point that, if unitary authorities are created that are ineffective because of their size and their failure to reflect existing communities, we may well return to this issue later on. As I have said, there are other parts of the country where unitary authorities were created some time ago, and we may have had an opportunity to put those authorities right under this round of proposals.

What is on the table has clearly been hashed together rather quickly because of the approaching general election, despite the fact that more time has elapsed than under the Government's original timetable. Other parts of the country where unitary status was achieved recently or where bids were unsuccessful might well have benefited from the constitutional convention approach that is being offered to people in Suffolk. Had that approach been offered at the beginning, it would have avoided much of the mess that we are in.

12.10 pm

Robert Neill (Bromley and Chislehurst) (Con): Welcome to the Chair, Mr. Jones. You have joined a lively debate and we are delighted to have you with us.

I congratulate my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) on securing this important debate. He has fought valiantly to raise the cause of Norfolk throughout this lamentable process and is a trenchant advocate for the case against the Government's behaviour. I am grateful to him for raising the issues.

I thank all hon. Members who have contributed to the debate, in particular the serried ranks of my hon. Friends who represent the three counties involved. They have reinforced the arguments compellingly and I hope that in time they will forgive me for not dwelling on each of their contributions in detail.

The right hon. Member for Norwich, South (Mr. Clarke) spoke in favour of unitaries and I can understand why, coming from his perspective. Arguments can be made for either side and we will have to beg to differ on their merits. I make only two observations. First, there are compelling grounds for saying that what happens to the two cities will have an impact on the surrounding shire counties. My experience of 16 years in local government is that shared services cannot be disaggregated without

[Robert Neill]

a knock-on effect. There are issues relating to large cities that are the centres of shire counties, but this is not the right way to deal with them.

Both the cities that we are discussing are estimated to provide about 15 to 20 per cent. of the tax base and revenue for the surrounding counties. Because of the higher costs of delivering services in rural areas, removing them from the authority would be bound to have financial consequences for the surrounding areas.

Mr. Charles Clarke: Is the hon. Gentleman saying he believes that a Norfolk county council covering 85 per cent. of its current area would deliver significantly worse services?

Robert Neill: No, I am saying that that would make life significantly more difficult for the efficient and admirable Norfolk county council, which is doing its best, despite having had bad funding settlements from the Labour Government, as has Devon. It cannot be said that there would be no knock-on effect from such a loss to the tax base. The leader of Devon county council calculated that the removal of Exeter could cause band D council tax to increase by about £200 per year. There are potential impacts on surrounding areas.

The other point that must be stressed is that the procedure has been utterly lamentable and is wholly indefensible; even the right hon. Gentleman conceded that it cannot be defended. The two that we are discussing are part of a round of unitary proposals that started in 2007. Like all the others, they had to meet the five clear criteria set out by the Government and the boundary committee. In July 2007, the then Minister for Local Government, the right hon. Member for Wentworth (John Healey), made it clear implicitly that the Norwich and Exeter bids were not capable of meeting the criteria. That was endorsed by the then Secretary of State for Communities and Local Government, the right hon. Member for Salford (Hazel Blears). They were right to say that the bids did not meet the value for money criteria. I recall that there was also concern about whether Exeter met another criterion.

The small unitaries were ruled out at the beginning of the process and alternative county-wide unitaries, which were objectionable on other grounds, were proposed. What has happened since then? Nothing has changed in the evidence base. What happened was that the Labour party lost a seat in Norwich. There has been a great deal of effective lobbying to get certain Members of this House off the political hook. The *Municipal Journal* described the situation thus:

"Unitary plans descend into a Whitehall farce."

It is a shabby deal. The columnist, Mark Smulian, writing in the *Local Government Chronicle*, was spot on in invoking the ghost of Governor Elbridge Gerry. This process is scandalous gerrymandering; it has nothing to do with good governance and is being done for political purposes.

I feel sorry for only two people: the Under-Secretary of State for Communities and Local Government, the hon. Member for Stevenage (Barbara Follett), who is here to stand in for the Minister responsible for this matter and is picking up the tab for it, and the Under-Secretary of State for Transport, the hon. Member for Ipswich (Chris Mole), because it is apparent that Cabinet Ministers and former Cabinet Ministers manage to get unitary authorities, whereas Under-Secretaries of State get merely a constitutional convention and a talking shop. Life is unjust even in the workings of government.

As has been observed, Mr. Housden, the permanent secretary, has behaved with absolute propriety. The attacks on him are wholly unjustified and would be withdrawn by any reasonable person. As well as the passage of his letter that has been quoted, he made two other important points. Having concluded that the unitary bids still did not meet the Government's original criteria, Ministers sought grounds to justify their departure from them. Mr. Housden wrote:

"My main concern about your proposed course has to be value for money for the public purse. It would impact adversely on the financial position of the public sector as compared with the alternative courses of action open to you."

Mr. Housden then referred to the Ministers' grounds for departing from the criteria, in particular the suggestion that the unitaries would be able better to achieve economic gains and regeneration potential:

"The evidence for such gains is mixed and representations that you have received provide no evidence to quantify such benefits. I also recognise your proposed approach may open the way for improved public services through the Total Place approach, but this will be dependent on the collaboration of all the councils concerned and as yet there is no clear evidence of the costs and benefits that may arise."

The permanent secretary destroyed comprehensively the two grounds that the then Secretary of State and Minister of State gave for departing from the original criteria. There were no grounds to justify doing so. In passing, it is worth saying that shared service arrangements in all three county councils and a pathfinder scheme in one are already improving services. That has been done without any of this nonsense.

Mr. Housden went on to write:

"Moreover, any departure from the criteria when taking your statutory decisions also raises feasibility, as well as value for money, concerns. Whilst there is no statutory basis for the criteria, there is a legitimate expectation that they will be the basis of your decisions. Your proposed approach of implementing a unitary Exeter and Norwich, and not implementing a unitary council for Suffolk would be a departure from the criteria, and whilst I recognise you could adduce your reasons for this...my clear legal advice is that the risk of"—

these decisions—

"being successfully challenged in judicial review proceedings is very high. You have been advised that there is every likelihood of such judicial review proceedings being commenced."

We now know that judicial review proceedings have been commenced. He went on:

"The probably nugatory expenditure which this would entail, particularly in the case of Exeter and Norwich, could only exacerbate the worries I have described about value for public money. And it would also put pressure on departmental resources, altering priorities."

One cannot be much more damnatory than that, yet the Ministers still persist and do not come along to defend themselves in person.

The pros and cons of unitary authorities in local government can be argued in a decent fashion. However, what has happened in this process is not decent. That is why my party has said that, should it come into government, it would reverse the decision and put all of the documentation and advice into the public domain following

any unsuccessful freedom of information requests. The proposal is a shabby gerrymander and is a disgrace to those who introduced it. I am sorry that Under-Secretary of State, who is not personally responsible, has to defend the decision today. The best one can hope for is that she takes the decision back and, at this very last minute, Ministers remove the shame they have brought upon themselves and abandon such an ill-conceived proposal.

12.20 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): I have only 10 minutes left and have a dreadful cold, which I am more likely to have got from the hon. Member for Bromley and Chislehurst (Robert Neill) than my right hon. Friend for Norwich, South (Mr. Clarke), because we tend to spend quite a lot of time together one way or another.

I would like to record my gratitude and that of my right hon. and hon. Friends to the hon. Member for Mid-Norfolk (Mr. Simpson) for giving us the opportunity to debate the very contentious issue of the unitary proposals for Norfolk, Suffolk and Devon. I understand the hon. Gentleman's disappointment with having to make do with a mere Under-Secretary of State in the unavoidable absence of the Minister for Local Government. However, as a Local Government Minister and as Minister for the East of England, I have taken a great interest in the proposals and, indeed, have heard some of the representations from both Exeter and Norwich.

I would like to try to deal with the "why now" question asked by so many hon. Members, particularly the hon. Member for Tiverton and Honiton (Angela Browning). The answer is Dickensian in its simplicity and content. The advice from the boundary committee about the process, which started in 2007, as the hon. Member for Bromley and Chislehurst mentioned, was requested by the Secretary of State more than a year ago in February 2008. Thanks to a succession of judicial reviews, the advice could only be provided by 7 December last year. The delay therefore arose because of the law and, to some extent, from those who sought to use the law to delay the implementation of the proposals.

The Department received the advice a year and 10 months after requesting it. Someone once said to me that the Opposition's only power is to delay. I do not think that that is true—although sometimes their behaviour makes me wonder—but a year and 10 months is a long time in the 60-month maximum life of a Parliament. Just because we are in an election year, the Government cannot stop making decisions or implementing proposals. It is perfectly reasonable of the Secretary of State and the Minister for Local Government to take the decision at this time, given the delay.

On the vexed question of how the decision was made and relations between Ministers and civil servants in my Department, first, it is a myth that, in some way, the Secretary of State and officials are at loggerheads. Nothing could be further from the truth. The process of seeking a direction is part of the normal administrative process that recognises that accounting officers—in other words, the permanent secretary—have certain responsibilities, which differ from those of Ministers, whose responsibilities do and should range more widely.

Mr. Bacon: When the Minister says that what happened is part of the normal administrative process, is she saying that it is routine and occurs normally?

Barbara Follett: I am not saying that such a situation occurs routinely, but it is part of the normal administrative process for the person who is responsible for value for money to point out when a Minister has gone against specific recommendations by officials, which, in this case, we acknowledge that we did.

Mr. Bacon: Will the hon. Lady give way again?

Barbara Follett: I have to make some progress. I regret not being able to give way, because the hon. Gentleman made some good points.

I wish to make it clear that it was proper of the permanent secretary, as accounting officer for the Department, to draw attention to the fact that Ministers had not chosen the option that appeared to deliver best value for money. However, it is equally proper of the Secretary of State to set out his reasons for taking the decision. In other words, all those involved behaved properly and there is no question of official advice being biased in any way.

I also want to dispel the myth that the correspondence between the Secretary of State and the accounting officer was somehow leaked; it was not. In accordance with the relevant civil service rules, those letters were, in fact, shared openly on the day Ministers made their announcement with the head of the National Audit Office and, subsequently, with members of the Public Accounts Committee.

Mr. Keith Simpson: The Minister is generous to give way. She mentioned a point that I raised about whether the advice that the Secretary of State received, which obviously contradicted the advice given by the permanent secretary, can be put into the public domain. This is the centre of the debate: the permanent secretary believes that the Secretary of State's proposals do not meet the fundamental criteria. In his letter, the Secretary of State talks about advice that he has received. Can we see what that advice was?

Barbara Follett: The advice was in the form of the many representations that the Secretary of State, the Minister for Local Government and I received. I am not privy to other advice that the Secretary of State may or may not have received. The main reason for going against the criteria was the changed economic circumstances, as I think right hon. and hon. Members know.

Mr. Swire: Given that the Minister says nothing was leaked and that the permanent secretary behaved in an entirely proper manner, will she take the opportunity to apologise on behalf of her Government colleague, the Secretary of State for Culture, Media and Sport, for his scandalous remarks?

Barbara Follett: I shall decline that opportunity, as I do not even know what remarks the Secretary of State for Culture, Media and Sport made. All I can reiterate is that officials and Ministers in the Department for Communities and Local Government behaved entirely properly and the letter was not leaked.

On the question of releasing advice to Ministers under freedom of information legislation, which the hon. Member for Mid-Norfolk raised, we will, of course,

[Barbara Follett]

be making available relevant material to the courts as part of a duty of candour. We will make all relevant representations available under FOI, but it is right and proper that certain correspondence between Ministers and officials should be withheld to ensure free and frank exchange of views. Section 35 of the Freedom of Information Act 2000 allows for that.

The assessment of the proposals, which was made in great detail by my right hon. Friends the Minister for Local Government and the Secretary of State, was difficult, because we had seven unitary proposals to consider. We had to measure them against the five criteria: affordability, a broad cross-section of support, strategic leadership, neighbourhood empowerment and value for money for services. Those criteria specify outcomes that should be delivered if the proposed changes to unitary structure are made. Accordingly, our assessments against the criteria involved making prospective judgments about the likelihood of the outcomes being delivered.

To cut a long story short—given the fact I have only two minutes left—in the end, Ministers decided that the economic situation in both cities merited going against the five criteria, and that the economic situation in a unitary Exeter and Norwich would be stronger because they had accountable self-governance. We did not change the criteria, as the hon. Member for Tiverton and Honiton suggested; they were central to our decisions, but there were compelling reasons why we went against them.

We also looked at the role that the Total Place initiative, which was launched in April 2009 as part of our operational efficiency programme, could play in bedding down the new unitaries. That initiative takes a whole-area approach to delivering public services in a geographical location and will be very beneficial indeed in the implementation of both the unitary proposals.

No-Fault Liability Scheme (Miners' Knee)

12.30 pm

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): In this short debate, I want to make three points. First, osteoarthritis of the knee is a painful condition. Miners who suffer from it are getting older and there is a need for a speedy scheme for processing their compensation. Secondly, and related to the first point, the National Coal Board and its successors knew from the 1950s that certain working conditions in coal mines caused the disease. Thirdly, I shall propose to the Minister a scheme structure that would reduce legal costs for both sides and, in particular, bring benefits to the sufferers of that painful disease.

The Minister is aware that in August 2008 the Industrial Injuries Advisory Council reported on osteoarthritis of the knee and recommended that it should be a prescribed disease in relation to working as an underground coal miner for 10 years or more in aggregate up to 1986, but that any service from that date onward should be specific to certain categories of work. The evidence shows that the risk of a miner developing osteoarthritis was more than double that for a member of the general population.

As a consequence of the IIAC decision, since 15 July 2008 miners have been able to claim an industrial injury disablement benefit award for the disability caused by the disease. I refer the Minister to some figures from the Department for Work and Pensions on the number of successful cases that there will be for industrial injury disablement awards. They suggest that the number is likely to be a little more than 10,000.

Several studies have been done on the development of osteoarthritis in miners. As the Minister will be aware, two significant British studies were done on osteoarthritis in coal miners in the 1950s, which showed that working underground was likely to result in the disease developing. A later study was done in Germany, and those three studies comprise the main evidence considered by the IIAC. I am using that information because it is pertinent to the point that I want to make to the Minister on how a particular scheme to deal with that compensation could be developed.

I accept that coal mining has changed dramatically since the 1950s. The NCB's mechanisation programme had a positive impact on changing the profile of coal production in the industry. From the early 1980s, mechanical processes have been linked to create a semi-automated system of mining, but that was a transitional development, and during the stages of that mechanisation process miners were lifting heavier loads from a kneeling position than they had done in an earlier era.

The studies of the 1950s looked at the earlier era, which we might refer to as the hand-filled days, but the disease did not disappear when the hand-filled production process disappeared because the transition moved us to mechanisation and during that process miners lifted those heavier weights from kneeling positions.

The effect of that process was to create a common sight in mining communities: elderly retired miners either limping badly or walking with the aid of a stick. Many of them have had artificial knee joints fitted to assist their mobility. Indeed, a colleague here in the House, my hon. Friend the Member for Blyth Valley (Mr. Campbell), who was a coal miner before he entered

this place, has been diagnosed with osteoarthritis and had one artificial knee joint fitted. He is waiting to be admitted to hospital to be fitted with a second joint, which gives an indication of how bad the disease can be.

When men suffering from the disease reach their 60s and 70s, which is the age most of them are, it becomes even more painful. That is why I believe that we cannot wait for a protracted legal process to conclude. Those men do not have a great deal of time left, so I suggest to the Minister that there is another way to move forward with the liability issue.

That brings me to the issue of dealing with that potential liability. I have no intention of getting into the arguments on the complexity of the liability, but I want to draw the Minister's attention to the National Audit Office report, "Coal Health Compensation Schemes", which was completed in 2007. Page 7 of that report sets out a table, "Lessons for the future". The first point in that table states:

"When a potential new liability is identified",

presumably by the Department,

"it must be monitored regularly and, taking account of how likely it is to come to fruition, sufficient action should be taken to manage the risks."

I assume that that is being done.

I refer the Minister to the report by Stephen Boys Smith, a synopsis of which is provided in appendix eight of the NAO report. He was commissioned by the Department to review the coal health compensation schemes. One of his recommendations, as set out in the NAO report, is as follows:

"If the Government is ever in future faced with a comparable situation; either where it has to implement a court judgment imposing a liability to pay compensation, or where it believes it would face such a judgment if a legal case were completed; it should very carefully examine the alternative ways of proceeding."

I suggest to the Minister that Stephen Boys Smith is pointing out that, where there is a potential liability, as in this case, which the Department will have examined closely along with the risks, the alternative to proceeding to court should be used. I shall point out in a few minutes how that might be done.

Stephen Boys Smith made certain recommendations to the Department, but it appears to be in a protracted legal battle. As the Minister is aware, the Department has spent around £6.5 million on legal advice for that case, and no doubt considerable amounts of money have been spent by the other side as well. It seems to me that we are moving towards a situation in which we will again spend lots of public money and ultimately accept that we must implement a scheme. I suggest to him that if that scheme is implemented and shaped by the courts, we will be in the same position that we were in with chronic obstructive pulmonary disease.

Mr. David Anderson (Blaydon) (Lab): I congratulate my hon. Friend on securing this timely debate. He mentions the amount of money that has already been spent on litigation. May I suggest that the company that is doing the work for the Government is the same one that cost them £10 million in respect of chest diseases and more than £3.5 million in respect of vibration white finger, both of which cases were roundly defeated, yet the Government are still taking advice from those people? Their track record is 2-0 and looks likely to become 3-0. If we can come up with a scheme, it will help not only the miners, but the Government.

Mr. Clapham: I am grateful to my hon. Friend for making that point, and I have no doubt that the Minister has taken it on board. As he knows, the COPD scheme came into being and started to be constructed following a High Court action in 1998. Here we are, 12 years after it began to be implemented, yet we have not made all the payments to claimants under the scheme. That gives an idea of how long it can take to deal with compensation. With the likely knee litigation, we do not have that time. That is the real reason why we need to look at implementation of a statutory no-fault liability scheme.

There are two other important issues that the Minister must balance before proceeding to court action. The first is the legal costs: as has been said, £6.5 million has already been spent, and the other side has spent a considerable amount as well. Bearing in mind that the DWP has estimated that the number who are likely to receive awards for industrial injury disablement benefit will be some 10,000, I suggest that we need to look at an alternative to spending a huge amount of money on legal costs.

There is an additional reason. The Minister must be aware that if he takes the case to court and to judgment, his range of options will be narrowed. In fact, what happened in the COPD case may well happen. His Department did not realise at the time that compensation would be opened up to the estates, and we could again have a situation where a case results in many more claims. As he is aware, two thirds of the 592,000 COPD claims were from estates. Like me, many of my colleagues do a Saturday surgery and find that, as we get to the tail end of the case, we are dealing with grandchildren who never saw their grandfather coming in to ask when their compensation payment would be made available. The Minister has to assess the possibility that his options will narrow if he goes to court.

We should look at a no-fault compensation scheme for miners' knee that would make a lump-sum compensation payment to the miner or his widow quickly and without the input of lawyers. That could be done speedily using the expertise built up in the Minister's Department and in the DWP's IIDB—industrial injuries disablement benefit—scheme.

A statutory scheme could be devised that would not require the engagement of costly private medical services either, as happened under the COPD claim. Private companies provided medicals for people who were making claims, and the costs ran to a quite an amount. Just now, I cannot say how much, but the Minister will know that it was considerable. The basis of a scheme for miners' knee could be the IIDB process. That could be the gateway, and I shall explain just how it could be done.

The Minister will know that the IIAC has set down the diagnostic criteria. They are in paragraph 71 of its August 2008 report, "Osteoarthritis of the knee in coal miners". Criteria have been set down for the examination process, so we do not need the input of any kind of private medical service.

We would then move to a situation in which the IIDB scheme paid an award but also gave an assessment. Each man who received an award would get an assessment of his disability. I suggest that that could be the basis for a statutory no-fault compensation scheme. It would allow the Minister to ensure that a compensation payment was made only to the miner who had come through the

[Mr. Clapham]

industrial injuries disablement process, or to his widow. The payment would be relative to his age and his disability. A table is all that would be required, so the compensation scheme would be transparent.

Lawyers from both sides may be required to sit down with orthopaedic consultants to draw up the table, which would run from 0 to 100 per cent. The miner's age at the opposite side and his degree of disability would relate directly to a sum of compensation that had been devised independently by his people sitting down with lawyers from the other side, both taking advice from orthopaedic consultants.

Such a scheme would be much preferred to a court scheme, because the court scheme, once shaped, would impose costs on the Department, as the Minister knows. There is no doubt that lawyers would be involved, as they were involved in COPD and vibration white finger, in filling in forms and, at the end of the day, collecting money for doing that. In many instances under the COPD scheme, the solicitor received a bigger award for completing the form than did the man on whose behalf he completed it. We do not want that to occur again.

I urge the Minister to move speedily to ditch his plans for a court battle and to introduce a statutory scheme that would benefit elderly miners who do not have a great deal of time left. Such a scheme would be less of a drag on the public purse. I urge him to move as suggested in the Stephen Boys Smith report and to introduce a statutory scheme for compensation for miners' knee.

12.48 pm

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): I congratulate my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) on securing the debate. I praise him for tenaciously and astutely arguing the case for miners and the mining industry as he does. I personally admire him for his fortitude and determination. He and I have discussed this issue both outside and inside this Chamber.

There cannot be many Ministers of the Crown who can say this: I have stood erect on the coal faces at Daw Mill in Warwickshire and Lea Hall in Staffordshire and seen the huge, magnificent, modern machinery that comes along and cuts out a whole line of the face; then, automatically, the props are moved forward to protect miners as they advance to clear the coal away. I have crawled on my hands and knees to the front of mines such as Newdigate in Warwickshire, Littleton at Cannock and Hem Heath in Stoke-on-Trent and seen miners in extremely difficult situations and constrained spaces working to get coal from small coal faces. I very much appreciate what my hon. Friend says about the pressure on their limbs—in this case, their knees.

My hon. Friend will appreciate that, in responding to this debate, I have to be mindful of the matters he raises that are subject to current legal proceedings. I am therefore constrained to a considerable extent in what I can say in response. I am, of course, fully aware of the concerns that he and other hon. Members who are here to support his argument have raised and their passionate belief that individuals involved should be compensated quickly and in a way that avoids the costs—particularly the solicitors' costs—that we saw in previous compensation schemes. I understand and share those concerns, but the issue is not straightforward. It is important that we take fully into account the experiences of the past 10 years of the vibration white finger and chronic obstructive pulmonary disease respiratory compensation schemes, which are now, I am pleased to report, largely concluded; and, as my hon. Friend says, the numerous reviews of the Government's handling of those schemes, including most recently those conducted by the National Audit Office and the Public Accounts Committee.

Before dealing with the details raised today, as far as I am able to do so, I want first to take the opportunity to put on the record the success of the VWF and COPD schemes, which are the biggest personal injury schemes in British legal history. More than 760,000 claims have resulted in more than £4 billion in compensation being paid to former miners and their families. The VWF scheme has been completed and brought to a conclusion in the High Court, and the respiratory scheme for COPD is almost complete. Fewer than 240 COPD claims have yet to receive an offer of compensation and we expect to settle all the remaining claims in this calendar year, although some claims may take longer if, for example, there is the additional complication of protected party status.

Those schemes were set up once the liability of British Coal had been established by the courts. They were designed to ensure that miners and their families received the compensation to which they might reasonably have been entitled had they pursued their claim in common law. I believe that that objective has been met and that the schemes have been a huge success.

My hon. Friend suggests that there should be a scheme for no-fault compensation. He knows there was previously a scheme like that in the industry for pneumoconiosis among coal workers. The National Union of Mineworkers and other mining unions successfully negotiated with the employer, the National Coal Board, for that scheme, which my hon. Friend says could be emulated today. On the basis that those arrangements provided a clear, practicable way forward then, his argument is understandable, but things have changed a lot in the 36 years since that scheme was negotiated in the industry.

First, negotiations took place when the unions were in a position to present themselves as negotiating on behalf of all miners and their families. Today, that is clearly no longer so. Secondly, that agreement was negotiated in the context that pneumoconiosis affects mainly coal miners. The reality is that osteoarthritis of the knee is very different: it affects many people in the population in many different jobs and is caused by many different factors, including family history and a variety of non-employment-related factors. On that basis, it is much more complex than pneumoconiosis.

Mr. Clapham: I refer the Minister to the IIAC report, which prescribes the disease purely because the risk of a miner developing it is twice that of a member of the general population. There is not that much difference between the pneumoconiosis scheme and the one that I am proposing. If he is afraid that such a scheme might lead to two payments if a person goes on to take out a civil action, he could introduce a caveat whereby if a person decides to take a civil action after taking compensation payment from the scheme, there could be a clawback, as happens under the mesothelioma scheme.

Mr. Kidney: The danger is not only that somebody has two bites at the cherry, but that other people who are no part of the scheme may still come in with litigation for the liability at common law.

Thirdly, the previous scheme was negotiated in an era when the legal profession, and more particularly the world of personal injury litigation, was very different from today's. In the world of no win, no fee arrangements, any admissions made are likely to generate further litigation, even where a no-liability agreement for some might at first sight appear reasonable. For example, my hon. Friend mentioned the estates of miners. Putting aside the question why I should think it fair to exclude a miner's claim when the miner has died and the estate wants to carry on claiming, if I negotiated an agreement that excluded them, there would be no reason why they should feel excluded from taking a case to court and still proving the liability at common law. Nothing would be gained, from my point of view, by making the agreement.

Nevertheless, let me say that the costs of the coal workers pneumoconiosis scheme did, and still do, prove significant. More than 91,000 claims have been made under that scheme since 1974, of which more than 83,000 have been successful in securing compensation. To date more than £154 million has been paid in compensation under that scheme. Put simply, we need to be certain of the reasons for reaching decisions. In my view, progression of the current litigation is the best way to achieve that clarity.

In our handling of these difficult issues, it is always important to remember that the Government are effectively standing in the shoes of the former British Coal Corporation as the employer. For compensation to be payable, it must be established that British Coal was legally negligent and/or in breach of statutory duty as an employer, and that the injuries suffered by their employees were caused by that negligence or breach. Furthermore, the Secretary of State's powers under the Coal Industry Act 1994 to pay money out in respect of the liabilities of the former British Coal are dependent upon such liability being established.

My hon. Friend the Member for Barnsley, West and Penistone mentioned the cost of litigation and my hon. Friend the Member for Blaydon (Mr. Anderson) asked questions about the fees paid to solicitors. I am alive to those issues. The Department is fully committed to applying the lessons from the experience of the VWF and COPD compensation schemes, based on our operational experience and the reviews conducted by the NAO and the PAC.

Mr. David Anderson: The Minister will not be surprised that I am disappointed by what he has said so far. It is not just about the costs of litigation. What about the impacts on the public purse? He mentioned reports from the NAO. The Legal Services Commission has also done a massive amount of work. There has been a huge cost to the public purse in addition to the legal implications the Minister has advanced, including payments to solicitors and barristers. That must surely be weighed in the balance against the sensible scheme advanced by my hon. Friend the Member for Barnsley, West and Penistone.

Mr. Kidney: I understand that point. My hon. Friend the Member for Barnsley, West and Penistone mentioned the costs and the amount that we have paid to lawyers already for litigation on osteoarthritis of the knee. He is right. We have had to pay lawyers, particularly for document disclosure. He knows that disclosure is an important part of the process of establishing whether there is liability.

One key lesson learned by the Department in conducting the litigation is that we must understand the scale of potential claims for the compensation. Our estimates in the past for VWF and COPD were much lower than the amounts that were subsequently paid. My hon. Friend mentioned on a number of occasions some 10,000 claims for osteoarthritis of the knee. So far, under the group litigation order, there are about 900 claimants, and the claimants' lawyers have mentioned to us another 1,000 claims. Putting the matter in a broader context, we handled more than 170,000 claims under the VWF scheme and more than 590,000 for COPD. Collectively, that totals more than 750,000 claims.

Let us draw on the experience of the DWP. Following the introduction of the industrial injuries disablement benefit for miner's knee last year there have been more than 33,500 claims for the benefit to date. Claims are arriving now at the rate of 300 a week. I am pleased to report that more than 20,000 cases have been assessed and of those 9,234 former miners have already received payments of benefit. In addition, a further 6,085 have received an assessment of disablement, although their condition was not assessed as severe enough to give rise to a payment of benefit.

I welcomed the Department's decision to pay industrial injury disablement benefit to miners suffering from osteoarthritis of the knee, following on from the recommendations of the Industrial Injuries Advisory Council. My hon. Friend was a champion of that cause. However, the decision to introduce entitlement to benefit payments raises different issues to those involved in the litigation against the Department as the inheritor of the liabilities of the former British Coal Corporation. In particular, the IIAC report, which triggered the entitlement to claim benefits for miners suffering from osteoarthritis, fundamentally does not directly address the key issues in the litigation that the Department is defending, including establishing knowledge, taking reasonably appropriate preventive steps as the employer based on that knowledge, and the apportionment of other contributory factors, such as family history and other health factors.

It is important to recognise that recent medical knowledge now firmly demonstrates that osteoarthritis is caused by a range of factors, including family genetics and obesity, as well as employment-related factors. In my view it is therefore vital that, where such large amounts of taxpayers' money may be at stake if compensation is to be paid, particularly in the current economic climate, liability is properly established through the court process. In concluding, I assure my hon. Friend—

Mr. Martyn Jones (in the Chair): Order. We must move on to the next debate.

NHS Expenditure (Reduction)

1 pm

Dr. Richard Taylor (Wyre Forest) (Ind): I am delighted to see the Minister in his place. I do not mean to imply that not all Ministers have his qualities, but I know that he is a receptive and thinking Minister. I am grateful that he will respond to my suggestions, which are intended to be helpful to the future of the national health service, which we all know is vital to our constituents and beloved by the large proportion of staff who work in it and the patients who receive treatment.

The extra money that has been provided has seen dramatic improvements, especially in cancer care, cardiac care and the increasing scope and success of the various treatments that are now available. A crisis therefore looms. The NHS Confederation estimates funding cuts of £8 billion to £10 billion in the next two or three years, and £15 billion in the next five years. The King's Fund has produced a useful document, "Windmill 2009: NHS response to the financial storm", which opens with the words:

"The health service is about to enter a new era. After years of unprecedented growth, it faces the prospect of unprecedented austerity."

I want to talk about ways of addressing that challenge without widespread cuts. A high proportion of NHS expenditure is on staff, so if there are cuts, they are likely to be in the number of staff, which would not be helpful as the numbers in some areas are already inadequate. By lucky coincidence, my medical colleague on the Health Committee, the hon. Member for Dartford (Dr. Stoate), started this debate on Friday last week, and I believe that the Minister responded to it. The hon. Gentleman made the point that it is estimated that increasing self-care of patients with minor ailments could save the NHS £2 billion.

I was joining the train at Kidderminster station at about the time when the ban on smoking in public places came in, and a member of staff who had drawn the short straw and was sweeping up the fag ends outside said, "We might be able to change policies, but it's a job to change people." That was extraordinarily perspicacious at that time, and it is absolutely true that it is extremely difficult to change people. We can easily write new policies, but we must change people and how they use the NHS.

The hon. Member for Dartford quoted the Proprietary Association of Great Britain, which has described five clear steps to ensure that self-care increases. Following on from that, a discussion paper that I found extremely useful was produced by the National Endowment for Science, Technology and the Arts. It is headed, "The Human Factor", and has a sub-heading, "How transforming healthcare to involve the public can save money and save lives". It was drawn to my attention recently, and was written by Laura Bunt and Michael Harris, and published by The Lab and NESTA.

In this short debate, I can only point the Minister to that discussion paper, and give a brief flavour of it. The authors considered long-term conditions in particular, and how to change the way people cope with such conditions by educating them. I am thinking particularly of diabetics who, if they know how to control their disease, need much less help. The paper recommends a mixture of redesigning care with user involvement and more effective prevention. User involvement is crucial, and the NHS constitution has picked that up.

One public responsibility on patients from the NHS constitution is this:

"You should recognise that you can make a significant contribution to your own and your family's good health and well-being and take some personal responsibility for it".

If NESTA's suggestions were taken up and led to a 10 per cent. reduction in the cost of treating long-term conditions, that could save £6.9 billion a year, which is not to be sneezed at.

I cannot resist giving one of my favourite quotations. I do not know whether you have read Sir Walter Scott recently, Mr. Jones—I have only just rediscovered him—but one of his last novels was "The Surgeon's Daughter". He was writing about the burgesses of a Scottish borough and said:

"There the mothers of the state never make a point of pouring, in the course of every revolving year, a certain quantity of doctor's stuff through the bowels of their beloved children. Every old woman...can prescribe a dose of salts, or spread a plaster; and it is only when a fever or a palsy renders matters serious, that the assistance of the doctor is invoked"

What a lesson for all of us. Has the national health service limited people's ability to look after themselves and spoiled them with the help that they receive. We must change that so that they have the help of medical and nursing staff—the clinicians—only when they really need it.

Bob Spink (Castle Point) (Ind): My hon. Friend has rightly, responsibly and caringly brought an important subject to the Chamber. He is approaching the matter from the viewpoint of taking personal responsibility, as well as that of clinical strategies, but he seemed to dismiss early in his speech the possibility of cutting staff. Will he address the possibility of cutting management teams because Government policy, defensive insurance strategies and so on have driven up the cost and number of management teams in the health service far too much?

Dr. Taylor: I thank the hon. Gentleman for his intervention, but I will not touch on that because this is such a short debate. In fact, very recently, reports in the papers have suggested that NHS trusts with more managers have performed better than the others. That must be taken into consideration.

Mr. Andrew Smith (Oxford, East) (Lab): I was drawn to this debate because of its interesting title, and the hon. Gentleman's background. I want to make two brief points. First, is it not important that he and others are careful when using phrases such as "age of austerity" when it comes to the NHS, in case the wrong signal is given to front-line staff—nurses and others—who often work in hard-pressed circumstances and who need a continuing period of stability, building on the welcome investment to which he referred? Secondly, on his point about prevention, does that not underline the critical importance of community health initiatives, community nursing and nurses in our schools? Will he say a word or two about that?

Dr. Taylor: I thank the right hon. Gentleman, who made many points in a short time. I cannot hope to address them all. On stability, I absolutely agree. I do

not believe that anyone will try to reorganise the health service crucially in the near future, for which we will all be grateful.

Prevention is a huge subject, and I am afraid that I am taking that as read, because it is obvious that spending more money on prevention saves money in the long term. The huge problem is moving money out of acute care into prevention, but I am sure that the Minister will be well aware of that.

I have spoken about patients and the public, and what they should be doing to improve how they look after themselves. Now, I want to speak about the staff. I am the first to praise staff for their tremendous, hard work, but we must be realistic and ensure that they realise the problems afoot. I remind the Minister of the NHS Confederation's paper, "Dealing with the downturn", which was published in June 2009. It is useful because it lists first many bad ideas from history that do not work.

If waiting lists are allowed to grow, quality is diluted. Indiscriminate cuts in expenditure can focus on cost rather than on value, and pay could get out of line, training might be cut or we could fail to protect curative services. Those measures have all been tried and have failed. They are doubtful things such as centralising support functions, mergers, structural change or reducing staff. The document contains a useful quote about price competition, which states that

"this does not fit with patient choice. The risk is that providers can exploit this to obtain increases in prices – particularly when they have a monopoly. It can also lead to 'a race to the bottom' which reduces price and quality."

I believe that that has been one of the reasons behind the poor quality of out-of-hours care in some places.

Let me move on to the more positive points in this document. There are several pages of suggestions of ways to do things differently in order to improve how services work and improve patient safety and quality of care. Some of those things will save money, such as the productive ward, which I am sure the Minister knows all about. I have seen that initiative in several hospitals that I have visited, and it is a scheme whereby all staff, from health care workers to the sister to the cleaners, get together on a regular basis and talk about how they are doing things. That can lead to obvious alterations, such as moving all the things that are necessary to set up an intravenous drip to one place, so that staff do not have to dash from place to place picking things up. That leads to improvements in ways of feeding patients, and can reduce wastage of time over meals. It can lead to nurses doing the nursing rather than lots of admin, so that they can spend more time with the patient.

The document mentions the difficult matter of treatment prohibitions. However, as the National Institute for Health and Clinical Excellence has told us, relatively few treatments in use have no proof of effectiveness, so we cannot save billions of pounds by cutting out useless treatments. There is a mention of limiting the NHS package, which in my language is health care rationing. However, as is pointed out, that would require public debate and it would be difficult to sell to the public unless all other ways of saving had been exhausted.

Productive wards are an initiative from the NHS Institute for Innovation and Improvement, which sadly seems to have rather a low profile. That organisation was responsible for the better care, better value indicators, the first tranche of which came out several years ago, and I believe that there have been further tranches. The indicators compare the performance of the NHS with the performance figures for the top 25 per cent. regarding that treatment or method of carrying out a service. The productive opportunity from those indicators is, I am told, £3 billion—something worth looking for.

The King's Fund "Windmill" report makes specific recommendations for the Department of Health, regulators, strategic health authorities, commissioners and providers, and there are two interesting appendices. Appendix B apparently fell off the back of a lorry; it is a leaked Department of Health memo with a long list of possibilities for the emergency strategy committee to consider. That is encouraging as it shows that people at the Department of Health are using their brains and getting their staff to work on those sorts of things. Appendix C is a useful classified summary of the various approaches taken to reducing costs, improving efficiency and perhaps increasing income.

In addition to the papers from the King's Fund, NESTA and the NHS Confederation, I have had a host of letters over the past few days from organisations making suggestions. Action on Smoking and Health—ASH—points out the cost-effectiveness of measures taken to reduce smoking, which can be highly effective. The Royal College of Nursing mentions the huge benefits and cost savings from community nurses, particularly specialist nurses, who can save a vast amount of time and money. There were suggestions for isolated drug economies, and suggestions from the Alzheimer's Society.

I will return to my initial point: we must first change people by making them more informed and responsible for their own health care, not only for minor ailments but for long-term conditions. We must then change the workings of the NHS and give staff at all levels the chance to suggest innovation and better ways of working. I am conscious that I have not spoken much about prevention; there is no time for that, although it is a crucial matter.

I conclude with something that Disraeli said towards the end of his first spell as leader of the country:

"There can be no economy where there is no efficiency".

1.15 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): I congratulate the hon. Member for Wyre Forest (Dr. Taylor) on securing this debate on what will be one of the most challenging issues for the health service over the coming decade. I understand that the Health Committee is looking at this subject, and I look forward to the evidence that it produces.

As the hon. Gentleman said, over the past 12 years funding for the NHS has increased substantially and is now—as we promised—broadly on a par with the rest of Europe. The NHS has expanded and improved beyond any recognition, and as a consequence we now have a more capable and resilient service. Patient care has improved significantly, far fewer people now die from heart disease and cancer, and waiting times are the shortest they have ever been. Despite what some newspapers claim, patient satisfaction rates are extremely high.

Those improvements have been recognised internationally. Last November, the Commonwealth Fund survey of primary care services ranked the UK first in almost

[Mr. Mike O'Brien]

every area. There has been a transformation in the NHS, which has moved from being pretty poor to being good, although it must still go further before it is great. If we want a great health service, we must continue to invest in it and ensure that we deliver improved care beyond that which we are delivering now.

As the hon. Gentleman said, the time of rapidly increasing budgets is coming to an end. The stimulus package that we and Governments around the world have put in place has avoided a second depression, but the cost of that will mean tighter budgets in years to come. I do not for a moment accept the argument that a crisis is coming, and neither do I believe that a great storm is coming. There is, however, a demand for good management and efficiency, and a need to ensure a clear focus on the priorities.

Should any manager happen to overhear the debate—saying something in the Commons is almost like trying to smuggle a message out—the message that came out in the Mid-Staffordshire inquiry and in the problems with out-of-hours doctors and a range of issues is this: the first priority for any manager in the health service is patient safety and the quality of care for patients. Managers must be aware of issues to do with finance and targets, but the priority must be to ensure patient safety and patient care.

Bob Spink: Does the Minister accept that there could be a crisis if decisions were wrongly taken to slash and cut public services such as the health service in a devastating way? We should certainly avoid that policy. One way in which we could move forward is by addressing the amount of funding that is spent on NHS management.

Mr. O'Brien: I do not want to get sidetracked into a discussion about what is or is not management. A lot of figures are bandied about, which I sometimes worry about. Sometimes they refer not to managers but to staff who are necessary to ensure that a patient knows when their appointment is and can get there, and that the health service is properly administered. More than ever in the coming years, we need good-quality management and sometimes we have not had that in the past in the NHS, which is why we are mounting a programme to improve the quality of management in the health service.

Mr. Andrew Pelling (Croydon, Central) (Ind) Will the Minister give way?

Mr. O'Brien: I shall give way once more and then I must make some progress.

Mr. Pelling: As this is the season for giving way, I will intervene at this stage. I apologise, Mr. Jones, for not being here for the first 10 minutes of the debate. I am mortified that I was not here for my leader's speech. The Government are to be congratulated on the amount of money that they have provided to the NHS and on the transformation that the Minister has spoken about, but will he acknowledge that there is a danger in being over-ambitious and trying to create rather remote hospitals as centres of excellence and in being too ambitious about how much we can move patients away from hospitals to polyclinics? When it comes to planning appropriate savings and improvements in health provision, managers and, indeed, Health Ministers should not be too ambitious about how such changes to management can be provided. That is a great controversy, as the Minister knows, in London and in south London as well.

Mr. O'Brien: Polyclinics in London—GP-led health centres in other parts of the country are a slightly different type of NHS institution—are providing a great opening for people. They offer extended hours and deliver the services that patients want. We have to accept that the NHS will not be frozen just as it is now. What we have to see, particularly in the years to come, is a resolute focus on quality and improving patient care within reasonable budgets. We need to ensure that managers in the health service are focused on that, which means innovation and change. Change will come to the health service, and the changes that we want to see will improve the quality of patient care.

We want to ensure that managers know that there is not a crisis. My right hon. Friend the Member for Oxford, East (Mr. Smith) is right: sending the wrong message at this stage would be very dangerous. The NHS budgets are increasing this year by 5.5 per cent. and next year by 5.5 per cent., if the Government remain in power at least. We have said in the pre-Budget report that we are committed to protecting front-line NHS spending for the following two years, growing it in line with inflation.

However, the demand for health care from an ageing population, new technology and ever higher patient expectations mean growing pressures on the NHS budget. That is clear, so along with commitments on spending, we have set out the quality and productivity challenge that the NHS faces. In four years' time, the NHS needs to be making efficiency savings of between £15 billion and £20 billion a year. Importantly, those are not cuts. Let me make that clear. The money will not be taken out of the NHS by the Treasury. After all, we are not Thatcherites. Importantly, those funds will be kept within NHS budgets. Our aim is that every penny of those savings will remain within the budgets, allowing us to realise our vision of continuing to improve the quality of care for all. Essentially, we envisage no cuts in NHS front-line funding.

In previous times of financial challenge, patients have borne the brunt through longer waiting times, reduced availability of drugs and treatments and, ultimately, poor-quality care. Managers lacking in imagination made slash-and-burn cuts. That approach is indefensible when the scope for improving quality and productivity in the system today is still great. Patients should not pay the price of poor managers who are unable to handle budgets. The Mid-Staffordshire lesson is a lesson for every manager in the system.

We need imaginative managers who will focus on the quality of care. I make no bones about it—I will name and shame managers who are making slash-and-burn cuts across the health service. Just in the last couple of weeks, I saw a press release from Gloucester hospital that deeply concerned me. I wrote to the managers at Gloucester hospital, expressing concern. They have said that the economic situation means that they have to slash a load of beds—a couple of hundred beds. That is nonsense. Thankfully, they have now decided that that sort of slash-and-burn announcement is unnecessary

and needs to be looked at with care. It is a product of a lack of imagination by managers, and managers need to be very careful when they go down that route.

Mr. Pelling: Will the Minister give way one more time?

Mr. O'Brien: No, I will not, if the hon. Gentleman will forgive me. I have only a few minutes left.

The vision of high-quality care for all is one of local clinical leadership, of empowered patients shaping their own health care, of prevention being as important as treatment, as the hon. Member for Wyre Forest said, and of unstinting demand for higher-quality care. We must not for one second consider stepping away from that. Improving quality can also reduce costs. Our record on reducing health care-associated infections demonstrates that. We have made great strides, reducing MRSA by 74 per cent. and clostridium difficile by 37 per cent. That has not only improved care and saved lives, but saved the NHS £240 million.

There are many areas with the potential to improve quality and increase productivity. In the time allowed, I shall give a few examples. Enabling all hospitals to meet the staff productivity currently delivered by the best could deliver annual savings of up to £3.5 billion. The hon. Gentleman talked about the productive ward programme. As a result of that, nurses in London were able to spend an extra 500,000 hours—500,000 hours—with patients, because they themselves have worked out ways in which they can improve the quality of what they do in productive wards to give that time to patients. We are talking about the equivalent of an extra 255 full-time nurses, costing about £7.5 million. So far, the productive ward has been introduced for only 12 per cent. of London's wards, but the ideas that underpin the productive ward programme have also been applied in mental health wards and operating theatres and in the delivery of community services.

Pilots of productive community services have already produced promising results and suggest potential reductions of time spent: on travel by more than one fifth; on administration of referrals by more than 80 per cent.; on finding stock and supplies by two thirds; and on dealing with interruptions by more than half. That has led to an increase in time spent on direct patient care and, not surprisingly, staff morale has gone up by more than 90 per cent. That is the type of measure that can change the quality of care and save money. Reformed community services and transforming the care of those with long-term conditions, delivering integrated, efficient and people-centred care, has the potential to improve the quality of millions of people's lives and to save up to £2.7 billion in the process.

The next area of our focus is improving health as well as treating sickness. That has the potential to save the NHS further billions of pounds. For example, screening by pulse palpation to improve detection of atrial fibrillation improves the quality of care by reducing the risk of stroke, and it avoids the costs associated with stroke and its complications, particularly through emergency hospital admissions.

The Government have made clear their intention to drive down the costs of management, back-office support and procurement across the public services. The NHS wants to find ways in which that can be done sensibly, rewarding good-quality management but also ensuring that innovation in management and administration is acknowledged in the health service and rewarded, too. All too often, managers who are innovative in how they run things and who deliver higher-quality care for patients are forgotten, because that is just the administrative side, not the flashy, operating theatre, medical style of care, but they too are contributing to the quality of health care. We need to acknowledge where good management has reduced costs and improved the quality of care through administrative changes, rather than just medical changes.

All this cannot be administered from Whitehall. Instead, we need to empower clinicians and their patients. It is through innovation, through looking for new ways to do things, assessing them and, most importantly, spreading them throughout the health service—the NHS is great at innovation, but it does not spread it—that we can ensure that we unlock productivity gains. To support that, we have published the best examples of quality and productivity improvement on the NHS Evidence website. That has already been seen by more than 10,000 visitors to the site.

The hon. Member for Wyre Forest highlighted the debate that we had the other day on self-care. That is an important debate and one that we need to take further, but we also need to give people more access to information about the care of their own health, both through the internet and through interactive television, which presents a great opportunity. Let us say that someone has a problem such as asthma. Interactive television can be useful for someone who is not perhaps as technology-literate as younger people often are.

We face a great challenge, but we can overcome it by improving the quality of care, reducing the costs at the same time and delivering within NHS budgets, while recognising that the highest priority of the NHS must always be patient safety and ensuring that we improve the quality of patient care.

Peripheral Arterial Disease

1.30 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): It is a great pleasure to serve under your chairmanship, Mr. Jones, for what I think is the first time. It is also a great pleasure to see the Minister here to respond to the debate. I will try to persuade her that we can avoid lower-limb amputations if the national health service works more holistically.

Amputations are in the mind of the general public for the tragic reason that many of our troops are returning home from war theatres—particularly Afghanistan—having undergone not only lower-limb amputations, but amputations of parts of their arms. However, the vast majority of amputations undertaken in the national health service are caused by peripheral arterial disease, diabetes or, quite often, a combination of both. Losing a limb is a tragedy for any patient, and their quality of life afterwards, particularly if they are elderly, can be extremely poor. Only half the patients who undergo a major lower-limb amputation as a result of such diseases live more than another two years. The number of major lower-limb amputations is still rising—there were well over 25,000 major amputations between 2003 and 2008. There is an urgent need to reduce amputation rates and to save more legs. The good news is that that can be done.

Peripheral arterial disease is a form of arterial sclerosis and is closely associated with stroke and coronary heart disease. The condition is caused by a narrowing of the arteries, usually in the legs. A symptom of the disease is intermittent claudication, which is a cramping pain felt in the calf, thigh or buttock during walking or other exercise. It is caused by poor blood flow and affects up to 870,000 people, or 5 per cent. of the population. Without proper blood flow, wounds cannot heal, which leads to infections, ulcerations and, tragically, to amputation in some cases.

Bob Spink (Castle Point) (Ind): I congratulate the hon. Gentleman on bringing this matter to the House. He is going through the disease processes, but does he acknowledge that one of the greatest risk factors after genetics is smoking? Will he therefore welcome no-smoking day on 10 March, which will be run in community halls, schools and shopping centres across the country? Will he try to get the NHS to get more people to stop smoking?

Dr. Iddon: I have been a great advocate of stopping people smoking, including people in my family, and I will refer a little later to smoking as a causative factor of narrowing arteries.

Diabetes is a major cause of peripheral arterial disease. Diabetics have an increased risk of developing the disease and account for up to 70 per cent. of non-traumatic amputations. The relative risk of amputation is 40 times greater for diabetics. Anther pretty stark statistic for right hon. and hon. Members to digest is that a diabetic who smokes runs an approximately 30 per cent. risk of amputation within five years—the point made by the hon. Gentleman.

We all know how the prevalence of diabetes is increasing to worrying proportions as a result of lifestyle and obesity. There are an estimated 3 million people with diabetes in the UK, and large increases in amputation rates are a possible unfortunate consequence of the growing number of diabetics. However, the good news is that, according to the International Diabetes Federation, 85 per cent. of amputations in patients with diabetes can be avoided, and that is the main point of today's debate.

The impact of amputation on patients is stark and evident. Amputations also cost the country and the NHS large amounts of money. The amputation rate is between 5 and 6 people per 100,000, but the figures range broadly between strategic health authorities. I have just received the latest statistics on the numbers of amputations in England, which are broken down into the different kinds of amputations. The numbers are still rising.

Each surgical procedure costs between £10,000 and £15,000, which means an annual bill to the NHS of between £50 million and £75 million. However, that does not take into account the substantial costs of rehabilitation, the provision of prostheses and social care, and the social and economic impact on society. The wider cost of patients in employment with moderate-to-severe peripheral arterial disease can be measured in terms of working days lost through illness and disability. We should also consider the loss of taxation revenue to the Exchequer and the cost of benefit payments to ill and disabled people, which are likely to amount to hundreds of millions of pounds on the taxation bill.

Some 85 per cent. of amputations are preceded by a foot ulcer. The estimated cost of foot complications alone to the NHS is £256 million per annum. The past 20 years have seen major developments in the healing of foot and/or leg tissue loss, which have been driven by innovations in assessment and treatment, the development of modern wound-care dressing materials and the development of surgical and other, less invasive interventional treatments by vascular specialists. Despite that, the numbers of lower-limb amputations are still high.

At this point, I pay tribute to the work of the Circulation Foundation, the Vascular Society and the British Society of Interventional Radiology, whose members have done, and are still engaged in, excellent work highlighting the need to save people's legs. Indeed, I recently hosted a parliamentary reception to highlight the subject. Groups such as the Lindsay Leg Club Foundation also do excellent work helping patients with leg and foot tissue loss through direct support and care.

Clinicians are only too well aware of the challenge of rising amputation rates. Put simply, patients are being seen by vascular specialists far too late, when amputation is the only option available. When a patient first goes to their general practitioner with mild symptoms of intermittent claudication, they are correctly advised to change their lifestyle and particularly to cease smoking and undertake some exercise. Medication with aspirin or statins can reduce clot formation and cholesterol levels and can help to limit disease progression. Other cardiovascular risks to which the patient is likely to be subject can be addressed at the same time.

Unfortunately, treatment by a vascular specialist is often seen as a last resort. However, revascularisation through an open surgical procedure or angioplasty, with or without a stent, can bypass or unblock arteries, improving blood flow in the lower extremities. Revascularisation can significantly add to the benefits

of lifestyle change. Britain has one of the lowest revascularisation rates for legs in Europe and some of the highest amputation rates, which tells us a lot. If patients were referred to vascular specialists a lot earlier, they could get the appropriate treatment, and we could save a hell of a lot of legs.

We must increase awareness of peripheral arterial disease among health professionals and particularly among GPs. That is what I am trying to do today. A clear referral pathway from primary care to secondary care would help vascular specialists to see patients sooner. Peripheral arterial disease is not, however, a condition that involves just one discipline, which is why I mentioned an holistic approach at the beginning of my speech. A diabetic patient with foot ulcers and advanced intermittent claudication should be seen by a wound care specialist, as well as by a diabetologist and a vascular specialist—either a vascular surgeon or interventional radiologist.

Peripheral arterial disease requires a multidisciplinary approach. There are some great examples here in the UK where that approach is seen to be working and is already saving legs. An 11-year survey of diabetic amputation rates, conducted between 1995 and 2005 at Ipswich hospital, showed a significant decrease in lower-leg amputation rates following the introduction of a multidisciplinary foot team. Over the survey period, the incidence of all amputations fell by a staggering 40 per cent., and among people with diabetes by a more staggering 70 per cent. Similar outcomes have been achieved in Middlesbrough and Southampton, and there are probably other examples of best practice in this country of which I am unaware.

Although I have painted a generally bleak picture, I hope that I have shown hon. Members, and particularly my hon. Friend the Minister, that we can achieve great improvements through a co-ordinated effort and bringing services together. In the end, the improvements in care I suggest would lead to a higher quality of life for many patients and could be cost-effective overall, too. The Government have made great strides in improving survival rates and treatment for patients with coronary heart disease, and we know that the NHS, with a clear strategy, can achieve great things—there have been many examples of that in the past 10 years. Peripheral arterial disease is often seen as a poor relation to stroke and heart disease. I think it is high time that we should focus on peripheral arterial disease as well.

We can save legs and save money, even in an age of austerity. I am confident that, by learning the best practice from our European partners, which do much better than we do, particularly through early referral; by incorporating best practice from the UK; and by bringing into every hospital multidisciplinary collaboration between leading clinicians, we can reduce amputation rates, despite an ageing population and more patients unfortunately being diagnosed with diabetes. That view is shared by many consultants, some of whom I have talked to personally.

Such improvements in care fit perfectly with the drive in the NHS for better quality of patient care and improved productivity but, of course, it is also important to prevent the ever-increasing occurrence of diabetes. We need much more research to find out what is really causing the increasing prevalence of that difficult disease. Prevention is always better than cure, for the patient as well as the NHS. Now could be the right time for a national target to reduce Britain's rising amputation rates. A national campaign to raise awareness, among not just health professionals—especially GPs—but the general public, seems justified at this time.

1.44 pm

The Minister of State, Department of Health (Gillian Merron): I congratulate my hon. Friend the Member for Bolton, South-East (Dr. Iddon)on securing this important debate and commend him for his excellent work in the all-party group on diabetes, which is a sign of his commitment to reducing vascular disease. He said that he was seeking to persuade me, and as always the points he made were persuasive and well-informed. They shone a light on something that perhaps few have drawn attention to.

My hon. Friend has raised an issue that perfectly illustrates the challenge the NHS must meet in the coming years. His speech reminded me of a quotation. At the turn of the last century, George Bernard Shaw despaired of a society that

"will pay a surgeon to remove a leg, but nothing to save it".

In this century, the NHS has changed and continues to change: it is not just a service for treating illness, but a national health service for the promotion of good health. Specifically, it is true that we must do more to save more people from the terrible tragedy of limb amputation. As my hon. Friend says, although peripheral arterial disease can have devastating consequences and affects a significant number of people, it is not often in the public eye. That is why I particularly welcome the debate and am grateful to him for drawing attention to the matter.

To give a wider context, under our five-year plan "From good to great", the NHS must do three things: take a more preventive approach, stopping more people developing serious illness, as we have discussed; be more people-centred, organising services around the individual, and in particular managing long-term conditions in more effective ways; and put quality at the heart of everything it does—improving diagnosis, treatment and management of disease, and building stronger multidisciplinary teams to improve the care that a patient receives.

I absolutely agree with my hon. Friend that peripheral arterial disease is a clear case in point. We must get better at preventing and diagnosing it and managing it at primary care level, and get better at joining up primary and secondary care, so that fewer patients end up facing limb amputation.

As to awareness, it is an unfortunate fact that by the time many of us get to 50, we will have some fatty build-up in our arteries, which can lead to peripheral arterial disease, or indeed to heart disease or stroke. A typical candidate for peripheral arterial disease might be over the age of 50 and would probably be a smoker—often male—and perhaps would have diabetes. Many GPs therefore come across cases fairly regularly, and in the early stages of the disease can treat it themselves with advice about blood pressure and the means to lower cholesterol levels. However, I accept the points that my hon. Friend raised about awareness. It is always good to ensure that GPs are brought into contact with the latest thinking about diagnosis and treatment.

Bob Spink: I would like to add to the Minister's list obesity, poor diet and lack of exercise, which are also causal factors.

Gillian Merron: I thank the hon. Gentleman for that intervention. I will come on to the contribution that obesity can make, which my hon. Friend the Member for Bolton, South-East has already referred to.

The responsibility for the content of GPs' continuous professional development lies with the royal colleges, as my hon. Friend knows. I confirm that, as a result of the debate taking place, I plan to write to them, raising his concerns and seeking their assurance that peripheral arterial disease features on the curriculum. I am sure he will welcome that.

As to improving the way that people live and their health, the sensible points that my hon. Friend made reminded me of the importance of reducing smoking and encouraging healthier lifestyles. We know that that is vital for reducing cardiovascular disease and diabetes. I was therefore very encouraged recently to hear that, as a result of our Change4Life campaign, more parents—indeed, we estimate that it is a million more mums—are shopping more healthily, putting better food on the table and encouraging their children, like themselves, to move forward. In other words, they are thinking more about their children's diet and exercise, putting them on the road to better vascular health later in life.

My hon. Friend rightly mentioned that the biggest risk factor in peripheral arterial disease is smoking. More than 90 per cent. of people with the disease are smokers—a shocking figure. It is clear that quitting smoking can not only prevent peripheral arterial disease, but can improve and stabilise the condition once it is established. Our ambition to halve smoking rates through the tobacco control strategy that we recently presented will therefore help to reduce peripheral arterial disease, as more people seek to quit and more people do not take up smoking in the first place.

My hon. Friend is right to make those links as, after all, many people would be shocked to hear that by smoking they could ultimately find themselves facing limb amputation, if peripheral arterial disease sets in.

Stopping smoking is perhaps the single biggest prevention measure for vascular disease, but there are other prevention strategies, particularly those linked with the coronary heart disease national service framework and the national service framework for diabetes, which will help to reduce the risk of peripheral arterial disease. The national service framework for diabetes helps to increase the rate of diagnosis, and with diagnosis comes better management of the condition.

I am glad to say that we can point to real progress in reducing vascular disease overall. The Government met their 2010 target on reducing mortality rates for cardiovascular disease five years early, and we have nearly halved death rates compared to the 1995-97 baseline, saving more than 34,000 lives in 2008 alone. The other important development is the NHS health check programme, which was launched last year. It is thought to be one of the most ambitious public health programmes in the world, with around 15 million 40 to 75-year-olds eligible for universal screening and assessment of their risk of developing vascular disease.

The programme will not only spot potential candidates for peripheral arterial disease earlier on—which, as we have heard, is crucial—but will help GPs and other health professionals to talk to patients about risk factors, helping them to adapt their lifestyles early on and prevent the disease.

Clearly, if people develop peripheral arterial disease, it is vital that they get fast access to the treatment that they need, as my hon. Friend said. I was glad to hear the compliments rightly given about the dramatic improvements we have seen in places such as Ipswich, Middlesbrough and Southampton, and I congratulate all the staff who have made that possible. We would like to see the same results across the national health service.

Last June, the Department of Health commissioned a primary care service framework for peripheral arterial disease, which is about giving primary care trusts support and guidance to improve the commissioning of services to diagnose and manage the disease. The National Institute for Health and Clinical Excellence is developing a new specific guideline on peripheral arterial disease, which I hope my hon. Friend will welcome.

My hon. Friend emphasised the connection with diabetes, and he will therefore know that there is best practice guidance on improving the range and quality of hospital foot care services. That is vital for reducing the number of amputations linked to diabetes, including those brought about by peripheral arterial disease. There is also a considerable amount of work under way to improve support for people living with long-term conditions, which includes delivering more personalised care to help them to manage their own conditions more effectively, and wider use of personal health budgets.

We want to give patients flexibility and control over their treatment. By empowering patients, we will drive up the quality of care, encourage better integration across clinical teams and ensure that patients get the multidisciplinary treatment that my hon. Friend referred to as the best practice. Those are all good points that he rightly made on peripheral arterial disease.

Quality draws all this together. We have embarked on an ambitious quality and productivity programme, and over the next year the national health service will put huge energy into identifying the most effective and efficient, and the safest, treatment across the system. The leadership will be provided by the National Quality Board, whose role it will be to take decisions on prioritisation in relation to specific conditions, if that should prove necessary.

My hon. Friend made a call for a specific target to reduce lower limb amputations, and I absolutely understand why he has done so. In recent years, we have tried to move to a position in which we are improving quality throughout the NHS and making quality the organising principle. Linked to that, we have to set service-wide ambitions, such as our commitment to an 18-week maximum wait between GP and operating theatre, the new commitment to one-week cancer diagnosis and the commitment to a maximum four-hour wait in accident and emergency.

All those commitments are crucial to continuing the excellence of health care for patients and what they should rightly have, which should, of course, achieve improvements for everybody. We believe that the approach of setting more service-wide ambitions will ultimately

be rather more effective than setting ever more, and ever more condition-specific, targets.

The conditions are right for the NHS to build on the work that has been done over the past decade to reduce and contain all forms of vascular disease and diabetes. It is clear, I agree, that we have to improve the treatment of symptomatic peripheral arterial disease, as my hon. Friend so clearly and rightly described. Above all, we have to do everything we can to prevent more people from developing the condition in the first place. That is where our primary focus will be, and it is why we continue to devote so much effort to programmes such as Change4Life and the NHS stop smoking services. We will, however, continue to take heed of the points that my hon. Friend has made, and I look forward to continuing improvements and a lessening of the number of limb amputations.

Question put and agreed to.

1.57 pm

Sitting adjourned.

Westminster Hall

Wednesday 3 March 2010

[FRANK COOK *in the Chair*]

Home Energy Efficiency

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Heppell.)*

9.30 am

Malcolm Bruce (Gordon) (LD): I am pleased to have the opportunity to raise the issue of home energy efficiency and fuel poverty. When I applied for the debate, there were a few key issues that I wanted to bring to the Chamber's attention and to press the Government on, but I was inundated with a huge variety of information and lobbying from a great diversity of sources. I must apologise to some of those people who brought such issues to my attention because I cannot address them all, but perhaps other Members will. I shall concentrate on a few areas in which I have a particular interest or concern.

On the basic issue of fuel poverty, we should recognise that we are almost back to where we started from 10 years ago. We saw a dip in fuel poverty, but it has risen sharply and it is estimated that between 4.5 million and 5 million households across the United Kingdom are in fuel poverty, which is back to the same levels that we experienced 10 years ago. Being a Member of Parliament for a Scottish constituency, I must emphasise that the proportion of people in fuel poverty or suffering from the problems of high-cost heating is much higher. Statistics compiled by the House Condition Survey in Scotland show that 618,000 households in Scotland—27 per cent. of the total—are in fuel poverty, which is up 47 per cent. over the past five years. A third of those are in extreme fuel poverty, by which I mean that they spend more than 20 per cent. of their income on fuel.

Energy Action Scotland believes that even those figures are an understatement and that as many as 750,000 households could be in some degree of fuel poverty. Such statistics are central to the debate, but for every household in fuel poverty, there are others who are not technically in poverty but have real problems with heating their home and paying their bill, and they are equally interested in what the Government can do to deal with the situation.

I shall raise a few aspects of home energy efficiency and fuel poverty, and await the Minister's reply with interest. Let me start with hard-to-treat homes. It is astonishing to discover what proportion of the UK housing stock is classified as hard to treat. Some 43 per cent. of households in England and more than 50 per cent. of households in Scotland are, in one form or another, hard to treat. They are mostly houses with solid walls or the early timber-framed houses, and flats and homes in multiple occupancy.

Under the carbon emissions reductions target, energy companies are required to promote insulation and efficiency, but evidence suggests that they tend to take the easy way out by, for example, issuing low-energy light bulbs rather than investing in significant insulation or alternative forms of heating. Hard-to-treat houses have pretty well been ignored by the energy companies. For many, the main way to tackle the problem is through external wall insulation, or external cladding, or, in some cases, internal cladding. By definition, such houses are hard to treat. Cavity wall insulation or loft insulation does not do the job. In addition, they need lower cost, carbon-free, low-tariff fuel systems, and for many, the packages are simply not available.

It is worth recording the fact that the social housing sector faces huge bills to tackle the problem. Dealing with the existing housing stock reduces the pool of funds available for providing new houses. A couple of examples have been brought to my attention. Aberdeen city council, which has been considering its high proportion of hard-to-treat houses, has recently upgraded 4,505 dwellings in multi-storey flats through a combination of cladding and combined heat and power district heating systems. The cost of the cladding was such that the council concluded that it could not clad them all. Effectively, it ended up installing more efficient heating systems, which heated the air as much as the buildings. Therefore, although such a system was beneficial to the tenants in that they could afford the heating, it did not solve the entire problem of the waste of energy.

Orkney council has also instigated a pilot scheme and spent £3.5 million on external cladding on a number of its houses. All over the country, local authorities and housing associations are independently tackling the problems without any real exchange of information or co-ordination, which is not the most efficient way to deal with the matter.

David Simpson (Upper Bann) (DUP): I welcome you to the Chair, Mr. Cook, and congratulate the right hon. Gentleman on obtaining this Adjournment debate. He will know that the Scottish Government home insulation scheme attached some criticism to the time it was taking to bring schemes to different areas of Scotland and to bring homes up to standard, as was the case with Northern Ireland in relation to the criteria used for how people apply for such schemes.

Does the right hon. Gentleman think it would be beneficial for the two regional Ministers to consult, and therefore exchange ideas, on how we could move the schemes forward and help in particular those suffering from cancer, who really suffer from the cold and need their homes to be insulated?

Malcolm Bruce: I take the point. As the hon. Gentleman will know, I believe in devolution, but I do not think that that means that we cannot co-ordinate effectively. The UK Government have a role to play in encouraging such co-ordination, particularly when it is about facts, information, best standards, value for money and cost-effectiveness. I completely agree with him, and the Minister will have his opportunity to address that matter. I will say only that the Government roll out schemes one after another, but it is difficult to find out how they co-ordinate them.

Let me finish on the issue of hard-to-treat homes. I have had a long and extended conversation with one particular constituent who is exercised by the issue. She is very aware of what is going on, and thinks that a lot of her neighbours do not realise how inefficient their homes are. She has had a thermal imaging take done on

[Malcolm Bruce]

her house, which shows just how much energy is leaking, and her house is the same as all the others in the street. Her concern is that no one will tell her what is the best thing to do. She does not know what materials to get, there is no financial assistance or technical advice, and she has not been able to resolve her problems. She suggests a co-ordinated approach that applies the best technique and best advice, possibly reducing or abolishing VAT on the materials and providing certificated standards across the country. The Government should consider such issues rather than just accept the appalling situation in which half our housing stock is hard to treat and we have no co-ordinated response to deal with it.

Let me say as an aside—I do not want to dwell too long on this—that whenever we discuss the issue we should also consider the extra winter deaths that are directly attributable to fuel poverty. Such deaths have increased this year because of the cold winter. That issue never arises in Scandinavian countries because they do not have hard-to-treat homes. They have much better standards and efficiency, and I believe that we, too, should tackle the problem in a much more effective way.

Christopher Fraser (South-West Norfolk) (Con): Does the right hon. Gentleman agree that in rural areas such as Norfolk, where my constituency is located, an awful lot of retired people and pensioners have no choice but to use oil, because no other source of energy is available to them? They are penalised for living in a rural area and by the punitive costs that the oil companies place on them. Therefore, their poverty becomes worse.

Malcolm Bruce: I am very grateful for that intervention, because it precisely anticipates the next paragraph of my speech, which is about that point. People in rural areas who do not have access to mains gas depend on other forms of heating—mostly oil, but sometimes liquefied petroleum gas or some other alternative.

I was surprised by the figures on the issue. They might be incorrect and the Minister might have more accurate ones, but my information is that 1.5 million households do not have access to mains gas and 1 million of those households are in Scotland, which is a much more rural country. The rest are probably in Norfolk—I do not know.

The cost of heating fuel for someone who is not on the gas mains is, on average, a third higher than for someone who is on the gas mains. I have been a Member of the House for rather a long time and when British Gas was being privatised, I served on the Committee scrutinising the Bill that privatised it, which became the Gas Act 1986. I also got involved in a stand-up, dragged-out row with Sir Denis Rooke—not a difficult thing to do—on behalf of my constituents at the time, because the gas mains were not being extended. As a result of that row, I got significant gas mains extension in several communities across my constituency.

However, I predicted that the privatisation of gas—this issue is about not the ideology of privatisation, but its consequences—would pretty much stop the extension of gas mains to anything other than major new developments, which has happened, although it is somewhat unacceptable.

In that context, if the Government are unable to do more to ensure the extension of gas mains—I would add that, even if they do ensure that extension, a lot of properties cannot be put on the mains—I wonder whether they will specifically address the needs of those households that are not on the gas mains.

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate the right hon. Gentleman on securing the debate and on his speech. However, the situation is even worse than he describes, because the gas companies hold the individual households to ransom, charging ridiculous sums for connection fees. That is so unfair, given that the connection fees for everybody else who is connected were all lost in the capital costs. Those people without connection are being forced to pay the total cost of connection.

Malcolm Bruce: I completely agree with that point. At the time of the privatisation of British Gas, I formed a good alliance with the gas regulator, who challenged British Gas over its assertion that it could not afford such connection costs. He said that, if he was not satisfied with the costings of British Gas, he would force it to absorb the costs itself and he did so. Unfortunately, such engagement does not appear to exist any more.

Therefore, I repeat my question to the Minister: why, for example, should the energy companies not be required to prioritise in their alternative energy, renewable energy and insulation programmes those people who are not on the gas mains? Furthermore, on the proposal to introduce micro-combined heat and power, which could be a benefit, why are the Government also proposing a tax break that will make micro-CHP less attractive for gas and oil-fired CHP systems, even though those systems double the efficiency of a house's heating arrangements?

It seems to me that there are things that the Government could do to ensure that people in rural areas who are off the gas mains receive priority treatment from the energy companies, but there is no indication that the Government are prepared to do those things.

Christopher Fraser: Does the right hon. Gentleman agree that it would help matters if the Warm Front scheme allowed double glazing to be put into those properties that are not on the gas mains, which it does not allow currently?

Malcolm Bruce: I am sure that that would improve matters. The hon. Gentleman will appreciate that we have a different arrangement in Scotland, but I am aware of the issue involving double glazing. Double glazing is not the most efficient measure that may be taken, but clearly it is a relevant factor. There is not much point in putting in cavity wall insulation and loft insulation if all the heat goes out of the windows.

I want to move on to a subject that is topical, given the cold winter—cold weather payments. They are a very specific mechanism for dealing with fuel poverty. However, the mechanism for delivering cold weather payments means that millions of people lose out on them. It is estimated that 1.7 million people who would be entitled to the pension guarantee have not applied for it, and because they have not applied, they do not achieve the threshold—the "gate", as it were—and so they are not eligible for cold weather payments, which they would otherwise automatically accrue.

In my constituency, it is estimated that 1,600 pensioners would be eligible for cold weather payments, but they have not applied for them, and I am sure that other Members have similar figures for their own constituencies. I do not wish to labour the point, but it is simply a geographical fact that Scotland is colder than the average for the United Kingdom.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): Oh yes!

Malcolm Bruce: Said with feeling by my hon. Friend.

The cost of heating a house in Stornoway is 62 per cent. higher than that of heating an identical house in Bristol. Within the cold weather payments, no account is taken of that fact. Therefore, the contribution that those payments make to people who live in colder parts of the United Kingdom is reduced.

I can testify that, in my own part of the world, we have had snow on the ground pretty well continuously, with only the odd break of a couple of days, since before Christmas. We have also had frost pretty well every night, and indeed for most of the day, for most of the period since Christmas.

Dr. William McCrea (South Antrim) (DUP): I accept that it might be colder in Scotland than in other regions of the United Kingdom, but does the right hon. Gentleman accept that wages for people in Northern Ireland are lower than for those in the rest of the UK, and that, therefore, a higher percentage of people's wages is used to heat their homes? People have to choose between heating their home and putting food on the table. That is a great cause of concern within my constituency.

Malcolm Bruce: Of course I completely accept the important point that the hon. Gentleman makes, and that situation increases the incidence of fuel poverty, given the percentage of people's wages that is being spent on fuel.

I want to give an example. I am sure that many of us are out pounding the streets and highways and byways of our constituencies at the moment, even more frequently than we are wont to do normally. I left my home on Saturday morning to do just that. The temperature when I left was -6° C and there was about 20 cm of impacted snow on the ground outside my house. By the time I reached the Aberdeen city part of my constituency, the temperature had reached 6° C and there was no sign of any snow—indeed, the crocuses were up and the daffodils looked as if they were coming out.

However, that area in Aberdeen city is the base from which the cold weather payment calculation for the inland western part of my constituency is determined. As I say, the temperature difference between different parts of my constituency is astonishing.

I make a plea on the issue regularly, but I again want to say something, quite specifically, about the weather stations that determine where cold weather payments are made in my constituency. The two most important stations are at Dyce and Braemar. Anybody who knows Scotland will know that Dyce is 3 miles from the coast and that Braemar holds the record for the lowest recorded temperature in the United Kingdom. However, one part of my constituency, around Alford, receives cold weather payments based on Braemar. Meanwhile, 3 miles up the road in Huntly, which is further inland and further up the hill so that there is more snow and lower temperatures, people have their cold weather payments assessed from the coast at Dyce. That is ridiculous and unjustifiable.

I simply say that the cold weather payments for that part of my constituency—the Huntly area—should be based on temperatures in Braemar, or temperatures somewhere else more appropriate than Dyce, possibly Aviemore. They should certainly not be based on temperatures in Dyce. That is my special plea, and I have to say that it is a very important point. If the Minister ever wished to come to my constituency, I could show him the temperature difference between different parts of my constituency with no difficulty whatever.

Thanks to a lot of pressure from Members in all parts of the House, the Government are in the process of introducing feed-in tariffs. However, I refer to the early-day motion tabled by my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) on that subject, which I have signed, as have many other Members. Fundamentally, the issue is that those people who have pioneered the use of generating capacity run the risk of being penalised for being involved in that area too early.

I want to press the Minister on the issue, because there is some suggestion that a review is going on to determine whether people who have already installed generating capacity that feeds into the grid should benefit from the new arrangements, rather than being penalised for being pioneers.

For example, I have a constituent who has told me that he installed a solar photovoltaic system in two phases—1.82 kW of capacity in July 2008 and a further 2.56 kW of capacity in July 2009. He has two issues. One is that the equipment he used was subject to microgeneration certification scheme approval guidelines. His concern is that the scheme approves only the most expensive systems. He was able to find cheaper systems that met European standards but not the certification standards, and he thinks that that is inefficient and unfair. Again, I leave the issue with the Minister.

My constituent's second and more specific point, having made that investment, concerns why on earth he should not benefit from the feed-in arrangements. I know that my constituent would be extremely pleased and grateful if the Minister gave him some encouragement.

Bob Spink (Castle Point) (Ind): May I take the right hon. Gentleman back to UK-wide matters on the cost of energy? I wish to make three brief points. First, does he agree that the hundreds of social tariffs should be simplified and standardised, and that they should be more generous? They are very confusing and do not give everyone access. Secondly, we should end the obscenity of people on pay-as-you-go tariffs, with the poorest in society paying more per unit of energy. Thirdly, we must ensure that people without access to direct debits—again, the poorest in the country—have access to the discounts that are available.

Malcolm Bruce: Those are pertinent points, and I am sure that the Minister will take note of them. However, as I said at the outset, there are so many dimensions to the matter that it is impossible to cover them all in one speech—and I am now near the end of mine. Indeed, if I tried to cover all those points, I might get less useful answers from the Minister on the particular issues that I wish to raise.

[Malcolm Bruce]

None the less, the intervention by the hon. Member for Castle Point (Bob Spink) is pertinent. The situation is most confusing. Too many things are going on, and there are too many obligations. People who by definition are poor have to worry how the heck they are to access all those things, including whether they are getting the best deal and who they should ask for advice. Those are questions also for those who are not technically fuel poor, but who wish to improve the energy efficiency of their homes and to use greener energy systems.

I do not know whether other Members have tried this, as I have, but when one seeks information someone will say, "This is who supplies solar, and these people do wind, and these do heat pumps." People then phone those suppliers, but of course they want to sell them the products that they market. What people really want is access to an objective, impartial energy audit that says, "Your house needs this in the way of insulation and would benefit from that energy mix. Here is a range of the people who can provide you with installation quotes and costs, and they work to approved standards." If that happened, I suggest that people would then want to know what grants and long-term loans were available.

One scheme that seems to have been successful is the boiler scrappage scheme. Those running it say, "The phone is ringing off the hook with people wanting to replace their boilers and take advantage of the scheme." I say in passing that it is regrettable that the scheme has not been extended to Scotland. I know that Scotland has the money and may be spending it differently, but I am not trying to make a party political point. However, given the scheme's success, I suggest that the Scottish Government could usefully consider it.

John Mason (Glasgow, East) (SNP): Is not the scheme being introduced in the same way in Scotland?

Malcolm Bruce: If so, I am glad to hear it. The latest information that I have is that it is not available, but perhaps it will be, and I would welcome that. It is a simple scheme and it works. Devolution allows the Scottish Administration to do things differently, but I believe that if the scheme works we should use it. That is all I wish to say about the matter.

People also say that we should have smart meters, but smart meters are of value only if they tell people what is going on. They have to be able to record in real time, so that people can make active decisions. We should be clear when talking about smart meters that we need the whole package, not just half of it.

Home energy reports are of rather limited value—almost a gesture. They could be much more rigorously enforced. Indeed, if we are raising standards, the standard of home energy reports should rise with them. People should know their real value and, if they are below value, what should be done. That should be included in the negotiations on buying and selling houses—people should know what they have to do to bring the reports up to standard.

We are in the middle of the deepest recession in living memory. We face the huge challenges of hard-to-treat homes, fuel poverty and the need to develop and introduce greener forms of energy. I can think of nothing that would do more to stimulate employment, investment, economic growth and recovery than a major investment programme in that area. My concern is that the Government have failed to come forward with a comprehensive way to ensure that we deliver the materials and the installation capacity, and the carbon reductions and poverty reductions that should go with them.

I have no doubt that the Minister will refer to yesterday's announcement. He will not be surprised to hear that, like so many announcements, it is a statement of good intent that sounds attractive, but when will the detail be available and when will anyone be able to use it? If people want to invest in energy efficiency and renewable energy in their home, they will want not only the best advice, but the right financial package to cover the cost of installing it and to give them savings at the same time.

I welcome the principle behind yesterday's announcement by the Secretary of State, but I shall be much more convinced when I see the colour of his money and we hear details of how people can get hold of the money. I suspect that it will not be this side of the general election.

We are debating an important subject with many dimensions to it, and I am sure that other Members will wish to mention other aspects. I hope the Minister can answer some of the key points that I have raised.

9.56 am

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): It is a great pleasure to speak under your chairmanship, Mr. Cook. I congratulate my right hon. Friend the Member for Gordon (Malcolm Bruce) on securing this debate, which is on an important topic and is being held at an apposite time.

I agree with all the points that my right hon. Friend made, but I particularly endorse what he said about the effect that the location of the weather stations has on the cold weather payment. I am sure that Members from all parts of the north of Scotland have similar problems with the location of the weather stations; it leads to communities living in certain geographical circumstances that experience very cold weather being disadvantaged when it comes to the allocation of those moneys.

I hope that the Minister takes on board what my right hon. Friend said about the weather station in his constituency, and that he is willing to extend the principle. Perhaps he will don his snowshoes or his skis and tour the north of Scotland, to experience for himself some of the variations in weather that occur in geographically contiguous areas.

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): It was not in the highlands or in the snow, but I was in Aberdeen last month.

Danny Alexander: I am delighted to hear that. I hope that the Minister enjoyed his visit. He is welcome to visit the north of Scotland at any time, not least if one purpose of his visit is to consider the issues raised by my right hon. Friend.

This debate is taking place during a long period of severe winter weather. When I arrived home in Aviemore last Thursday, I found my home under 2 feet of snow. When I woke in Friday morning, almost another foot

had fallen, which meant that I had to work from home. All the roads were closed and I could not fulfil my constituency engagements. As my right hon. Friend said, with snow on the ground in Aviemore and many other parts of my constituency consistently since 16 or 17 December until now, and probably for several weeks more, such matters are particularly important.

I wish to speak about a particular group of people—those who live in rural and remote areas. As my right hon. Friend said, many use heating oil or liquefied petroleum gas to heat their homes, as they are almost exclusively off the mains gas grid. That has a number of consequences. First, people are more likely to suffer fuel poverty. Secondly, more are likely to suffer extreme fuel poverty. Thirdly, they are more likely to have much higher energy costs, and they tend to live in harder-to-treat homes.

I bring some evidence to the debate. It is based on a survey that I carried out with my right hon. Friend the Member for Ross, Skye and Lochaber (Mr. Kennedy) last autumn. We focused specifically on the rural parts of my constituency and his—Badenoch and Strathspey in my constituency, parts of rural Inverness-shire, Ross-shire, and Skye and Lochaber in my right hon. Friend's constituency. The evidence demonstrates that fuel poverty is felt more extremely in those parts of the country.

We found that 15 per cent. of people spent more than 10 per cent. of their household income on energy bills. Of those people, 21 per cent. spent more than 20 per cent. of their income on energy bills, which, as my right hon. Friend the Member for Gordon said, is the definition of extreme fuel poverty. For 49 per cent. of those people, the main source of heating was heating oil. Ten per cent. were using LPG, some were using electric heaters and a few were on mains gas. Over the past year, 70 per cent. had seen their bills rise and 43 per cent. had struggled to pay their energy bills. Various points were raised about energy sources. It was interesting to note how few people received help through social tariffs and how few had tried to switch suppliers.

Mr. Drew: Does the hon. Gentleman agree that a weakness of the CERT—carbon emissions reduction target—scheme is that the lack of transparency means that energy companies do not have much incentive to prioritise groups that are in fuel poverty? Too often, they go for the early easy wins, which are homes that are easier to heat.

Danny Alexander: I agree with the hon. Gentleman. In many stone-built houses without double glazing, the energy-saving light bulbs that have been sent through the post are piling up, when different sorts of help would make a bigger difference. He is right about the transparency and support in CERT schemes. That is also a problem with social tariffs, which can be hard to understand and to get information on because of the complex systems that vary from company to company. Those things militate against people receiving the help to which they are entitled.

I wish to raise a number of issues with the Minister in relation to hard-to-treat homes where heating oil or LPG is the main energy source. The first point is about regulation. There are obligations on major utility suppliers, such as gas and electricity companies, to engage in schemes such as CERT, to provide support and to offer social tariffs. There is no such regulation of heating oil providers. There is also a major gap in the access and involvement of statutory consumer bodies such as Consumer Focus, which take up and pursue issues.

Dr. McCrea: Does the hon. Gentleman agree that there is great concern within communities about the price of heating oil? When the market price rises, the consumer price immediately goes up. However, when there is a reduction in the market price, the price that people pay for oil to heat their homes is not reduced at the same speed. There is a demand for transparency in that regard.

Danny Alexander: I am grateful for that intervention, which made one of the points I was intending to make. That trend applies not just to the oil sector, but to gas and electricity. Companies are quick to increase the price but not as quick to pass on reductions. Certainly in my constituency and across the north of Scotland, small providers in the heating oil sector do their best to pass price reductions from the major oil companies on to their customers as quickly as they can. The lack of will is not with the local providers, but with the major oil companies from which they receive their supply.

David Simpson: Does the hon. Gentleman agree that one difficulty with the pricing of fuel, including gas, is that it is traded at least four or five times through commodity dealing before it reaches the shores of the United Kingdom, whether in Scotland, Northern Ireland or elsewhere?

Danny Alexander: I bow to the hon. Gentleman's knowledge of the trading conditions for such commodities. I accept that there probably is such a problem, although it is not an area on which I am particularly expert.

Bob Spink: On this important point, does the hon. Gentleman agree that the situation is even worse than has been stated because many energy companies forward-buy their oil or gas at a fixed rate? Therefore, when prices rise, they do not necessarily go up for the companies straight away; often it takes up to six months. However, they are quick to increase prices for the consumer. The regulators need to take more firm action to make this matter transparent and to stop it.

Danny Alexander: I am grateful for that intervention. I am sure that the Minister heard the point and will respond.

Some smaller heating oil companies in my constituency endeavour to help people struggling with their bills, for example by allowing them to spread payments regularly over weeks or months so that they do not have to pay huge lumps of cash up front when the oil tank has to be filled up every couple of months. My constituents have had to fill their oil tanks more frequently over the past two or three months because of the severity of the winter conditions. After Christmas, the road conditions made it difficult for oil companies to get oil to people's homes and there was a serious risk of shortages. I am grateful to the Government for acting to lift some of the working-hours regulations to address that issue. Many companies would like explicitly to provide social tariffs in this sector to people in the most difficult financial circumstances, but are unable to do so because of their relationships with large oil companies and the lack of regulation.

[Danny Alexander]

My second point about such households concerns access to home insulation and other energy efficiency measures, to which my right hon. Friend the Member for Gordon rightly devoted a large portion of his speech. As such help is delivered partly through electricity and gas companies, those who have an unregulated oil provider have less access to such help to improve their homes.

I have investigated the systems that have been put in place in Scotland, such as energy helplines. Although in theory there are measures available to help people in older homes that use heating oil, in practice they are hard to get. One organisation I talked to could give only one example of someone having an air-source heat pump installed as an alternative to oil, but could give hundreds of examples of people who had received a bit of loft insulation. I am not decrying the importance of loft insulation, but the people I am describing tend to need more expensive measures that are just as necessary, if not more necessary, because of the circumstances in which they live.

Mr. Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman is touching on an important point. In parts of the UK, particularly Northern Ireland, advantageous schemes are unveiled by devolved Ministers. Sometimes, as advantageous as the schemes are, the people who could benefit most from them, namely the lower socio-economic groups, are unaware of the advantages. Unless such schemes are promoted more vigorously, the people who are supposed to benefit are also the ones who are least likely to avail themselves of them.

Danny Alexander: I would state the point in a different way: many of the schemes sound good, but are difficult to access for the people who need them most, who are often those living in older homes, for whom the schemes would be more expensive. They are difficult to access partly because of the information and the lack of awareness of what is available, but partly because the way in which the schemes are administered often means that the priorities are more to do with volume than with helping the people with the greatest need. I would like the Minister to address that issue.

Malcolm Bruce: My hon. Friend will have been to many presentations in this House by energy companies, where they offer all kinds of new technology but point out that the costs are disproportionately high. Does he agree that if the Government got their act together and put all of the schemes together, the market would be unlocked and a whole new industry created, which would reduce costs and benefit everybody, whether poor or better-off?

Danny Alexander: I am sure that my right hon. Friend is right. An extension of the principle behind the boiler scrappage scheme to other technologies over a fixed period would provide an incentive, which would encourage industries to flourish and the training of technicians. That would make a big difference to the availability of such support.

Before I move on to another issue, I should say that I would be interested to hear the Minister update hon. Members on the status of the renewable heat incentive. I have big concerns about a scheme that is based on adding to the costs faced by those people who already have the highest costs—people who use oil, gas and coal—to fund improvements that are necessary to reduce those costs. The financial burden of those sorts of improvements should not fall most heavily on people who are already facing the highest costs. The Government were consulting on and considering that issue, so I would be grateful for a status update and an assurance that the Government do not intend to place extra financial burdens on users of heating oil and LPG, whatever the environmental merits of the schemes that will be paid for.

I also want to ask the Minister one or two questions on another form of fuel that can help to deal with such issues and provide an alternative to heating oil: wood fuel. Wood fuel is renewable, available and, very often, local. For example, in a housing development where I live in Aviemore, a district heating scheme warms 100 homes and is fuelled by a wood fuel boiler that uses wood material sourced from the sawmill 7 miles down the road. That has reduced costs, had significant environmental benefits and is an example of the sort of thing that could be done more often with wood fuel.

A very good European co-operation programme is going on between people in Scotland and other European countries. It has been set up by an organisation called Highland Birchwoods, which is considering how the use of wood fuel can be encouraged and how wood fuel boilers on a domestic scale can be pushed forward.

I would be grateful for the Minister's help on the issue of the VAT regime on wood fuel. Hon. Members will know that VAT on fuel is charged at 5 per cent. As wood has a wide variety of uses, however, suppliers of wood fuel face a VAT charge of 17.5 per cent. at wholesale level. The Government provide very little information proactively to suppliers of wood specifically for fuel uses—whether to providers of pellets wood chip, or anyone else who might be taking wood on a wholesale basis and converting it into wood used specifically for fuel—about how to reclaim the VAT difference.

In my constituency, for example, log suppliers have in good faith understood that they were required to charge VAT at 17.5 per cent. on logs when, in fact, they should have charged 5 per cent., which would have made a big difference to relative costs, principally to the consumer. Government should try to make clear the VAT rates on wood fuel and ensure that information about how to reclaim the difference is made easily available to small suppliers. That would make a big difference to promoting wood fuel.

More skilled technicians who can install wood fuel boilers as part of a domestic or district heating scheme are also needed. I commend to the Minister the work being done at Inverness college in my constituency to train up such technicians. As the technology becomes available and is more widely promoted, and the supply chain for domestic wood fuel builds up, it is important to ensure that there is a network of people who can install the technology.

I shall end on the same point with which my right hon. Friend the Member for Gordon concluded. We are just coming out of the depths of the worst recession that this country has experienced for 60 years, and there is a significant need to create jobs. We have the opportunity to move the economy in a more environmentally sustainable direction. However, we need to ensure that any changes

operate on the basis of the overriding principle of fairness that I certainly believe in and that is so well established in this country.

An effort to enhance support for measures to tackle fuel poverty—particularly home energy efficiency and home insulation—and to bring people in remote and rural areas who use much more heating oil and LPG within the reach of those measures, would have a dramatic impact on jobs, on the financial burdens on families who are struggling to make ends meet, and on ensuring that our society is fairer. For all those reasons, I urge the Minister to take any steps that he can to ensure that people in remote and rural areas who rely on off-gas-grid heating sources are given a much higher priority than they receive currently in the Government's thinking.

10.15 am

Mr. Roger Williams (Brecon and Radnorshire) (LD): I apologise, Mr. Cook, for your not being informed that there was a change in the Liberal Democrat spokesperson for today's debate. I congratulate my right hon. Friend the Member for Gordon (Malcolm Bruce) on initiating the debate at this most opportune time and on raising a number of issues that affect my constituency and that of our hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) as much as they affect his.

The problem affects not only rural and remote areas, but urban areas. Indeed, the difficulty of dealing with energy inefficient homes is particularly acute in the private rented sector, where the cost of improving the efficiency of a home falls on the landlord, but the benefits accrue to the tenant and to the country as a whole through the reduction in carbon emissions. Particularly in houses in multiple occupation, the incentive to invest and contribute capital is sometimes not supported as well as it could be by the current systems.

First, I shall discuss families in fuel poverty and their difficulty in budgeting for fuel costs. Such families are faced not only with variability in the weather—we have just experienced one of the coldest winters for many years, when people needed to use more energy and to produce more heat—but with the incredible volatility of energy prices. As a consequence, it is very difficult for them to budget for their energy needs. People in fuel poverty spend more than 10 per cent.—or, if they are in extreme fuel poverty, more than 20 per cent.—of their income on fuel. Fuel takes up so much of their income that any changes in that amount have a disproportionate effect on the money that they can spend on other things.

The Government have a duty to consider that matter in some way. I know that the Minister cannot influence the weather, although he may wish to do so in the future if he ever gets the opportunity again, but providing some stability in energy prices so that people can budget much better would be to their advantage and would reduce the impact of fuel poverty. There are ways in which that can be done, for example, social tariffs, to which I may return, but first I shall pick up some of the points that my right hon. Friend the Member for Gordon made, particularly about hard-to-treat homes.

The people who live in such homes often suffer from a triple whammy because their homes are not only an older type of property, with solid walls and other types of construction that make it difficult to improve efficiency, but they are off the gas mains. The people who live in such homes suffer many accumulated problems of fuel poverty. An issue that perhaps has not been discussed very often is listed buildings. Double glazing was raised in another context, I think, but it is often not allowed in listed buildings because of the planning process, so one form of fuel efficiency is often ruled out for such buildings. However, many innovative builders and carpenters are designing double-glazed windows that reflect the architectural traditions of listed buildings and could be used, so perhaps the Minister could intervene with his colleagues in the Department for Communities and Local Government to see whether something could be done along those lines.

My right hon. Friend mentioned external and internal cladding, but one can imagine the planning difficulties that would be incurred if people set about altering the appearance of listed buildings. That is one problem that has not been addressed to any extent. I live in a listed building—perhaps I should have declared an interest—and recently had to apply for planning permission to install solar panels. Although that process has been eased recently, it certainly was not an encouragement to involving myself in that type of improvement.

Households that are off mains gas can experience problems. Households in my constituency use not only oil, LPG and wood, but coal, because many of my constituents live in old mining communities and for a long time benefitted from free coal because they worked in the coal industry. Not many of those families still benefit from that, but the widows of former coal miners still have coal delivered on the street outside their house and have to get their sons or nephews to cart it round the back so that it can be used. There is a range of fuels, but all are much more expensive than mains gas. Indeed, in a little village in my constituency, Garth, I came across a group of elderly people living in local authority accommodation who had decided to switch off their LPG supply because its sheer cost made it impossible for them to heat their homes. The homes were poorly insulated and they were putting their health and lives at risk as a result.

What can be done? My right hon. Friend mentioned extending the gas mains, which really would be a long-term solution for fuel poverty for so many people. However, as the hon. Member for Stroud (Mr. Drew) pointed out, the cost to individuals of having the gas mains extended is often beyond their means, and the investment would probably not produce a return in their lifetime, or even that of their children if they live in the same home after them. Will the Government consider either encouraging or subsidising gas companies to achieve a greater reach for gas mains? As I said, that would be a long-term solution to the problem.

Mr. Kidney: In Ofgem's current price control round on the energy companies—the five-year control period—there is an incentive for the companies to extend mains gas to fuel-poor households, although admittedly the scheme is modest, covering about 20,000 households.

Mr. Williams: I thank the Minister for that comment, which indicates that the Government recognise the value to the fuel-poor of being on mains gas.

I would like to refer briefly to a concern about LPG supply that I raised with the Minister during Energy and Climate Change questions. Following my predecessor's

[Mr. Roger Williams]

work on competitiveness in the LPG industry and pressure I put on the Office of Fair Trading, it conducted an investigation into the competitiveness of the LPG market and found several practices that made it difficult for families to change their supplier because of the need to change the bulk tank and other fittings associated with the supply. Regulations have now been brought in that ensure that customers can now shop around between suppliers and get much better deals.

The community in another village in my constituency, Llanspyddid, were able to get together and reduce their energy costs substantially by getting competitive quotes from different companies. My concern is that that is available to those in the know. One thing that the Department of Energy and Climate Change could do is publicise the fact that people can shop around for their LPG supply. I do not think that the companies are proactively competing against one other by advertising better prices, and certainly any improvement arises only when the customers are proactive. Any raising of awareness or advertising of the possibility of changing supplier will make a real difference to people on LPG supplies.

My right hon. Friend the Member for Gordon and my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey both referred to cold weather payments, and we certainly all have our stories about those. The weather station that serves the Ystradgynlais area is situated in Swansea, which makes it sound as though it is by the seashore. Certain parts of the Swansea valley area are by the sea, but parts of it are back up in the mountains in mid-Wales—Coelbren, for example, is about 1,500 feet above sea level and is very exposed. Cold weather payments are not triggered for those living there because the weather in Swansea is more benign and tropical.

We have been campaigning to have the weather station moved to Sunnybridge, which is often on the weather map as the coldest place in the UK. That would be much more beneficial in our area. I was talking to a Gurkha the other day who said he had trained in the Arctic, which was cold but dry, in the jungle, which was wet but warm, and in Sunnybridge, which was cold and wet, he needed a high degree of personal organisation to survive. I recommend it as the site for the weather station that should be consulted in those matters.

I will finish my remarks by referring to social tariffs and the ability to switch between suppliers. I remember participating in a debate in this Chamber on a similar topic, during which we discussed the ability to switch supplier. Of the several Members present in that debate—more than are present today—my hon. Friend the Member for Twickenham (Dr. Cable) and I were the only ones who had not switched, and we concluded that it was an age thing, as we were brought up in a time when we received energy supplied by a nationalised company and did not shop around among other companies. It would be interesting to know which people do and do not switch by age band, and which of those people have access to IT equipment, which makes switching much easier. I am sure that we have all heard horror stories from constituents who have attempted to switch and then found that they were billed by two companies at the same time. All those deterrents make people cautious about whether they would benefit from switching.

Social tariffs are very complex. I looked recently at a few quotations from companies, and they have different standing charges and different prices for the first 100 units and for the rest of the units, so it is difficult to put those details together and know whether a particular tariff would benefit the consumer. If there were some standardisation of the quotes for tariffs, that would make the process much easier, and people would be able to switch with much more confidence and receive greater benefit.

On social tariffs, and further to the point made by the hon. Member for Castle Point (Bob Spink), who is no longer in his place, I have figures for an average household consumption of 4,200 kW of electricity per year. Paying by standard credit, that would cost £977; by direct debit, £902; but by prepayment, £1,049. The people who use prepayment tend to be the most vulnerable: they have more difficulty budgeting for their fuel costs, yet are penalised the most.

The sharing of data between the Department for Work and Pensions and the electricity companies on those who should qualify for social tariffs would be beneficial. There has been some talk of smart meters, and I am advised that there are super-smart meters that automatically change the supply to the most advantageous supplier for the customer's circumstances.

This is a subject that we all have experience of in our own lives, but our most vulnerable constituents have the most difficult experiences. I have read the Government's proposals for green loans, as well as the Conservatives' proposals. They have many good ideas, but we need to implement them and prioritise them, so that the most vulnerable and needy in our communities—the ones who suffer from ill health and are at risk of premature death—get the greatest help.

10.32 am

Gregory Barker (Bexhill and Battle) (Con): I congratulate the right hon. Member for Gordon (Malcolm Bruce) on securing the debate. He has an excellent track record and is widely respected in the House for his knowledge of the subject and the wider agenda. This has been an excellent debate, albeit the contributions have come from one party and from outside England; nevertheless, some sensible ideas and analysis have been offered by the right hon. Gentleman and the hon. Members for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) and for Brecon and Radnorshire (Mr. Williams).

As well as the points about heating oil and the difficulties of the most vulnerable, and some excellent comments on the potential of wood fuel, with which I thoroughly concur, the right hon. Gentleman's opening remarks were absolutely spot-on. He said that, sadly, after 13 years of Labour Government, it is groundhog day on fuel poverty. In absolute terms, we are back to where we came in, despite the money that has been spent and the progress that we thought had been made. It is depressing that we are back at the bottom of the tall mountain that we have to climb to overcome fuel poverty.

Simply business as usual is not an option if we really want to crack the problem and make progress on a far greater scale and to a far more ambitious timetable. That is why my party proposes a completely new and radical approach to fuel efficiency. The measures to date have not been up to the scale of the task, not for lack of good will on the part of the Government, nor for a lack

of interest in the agenda, but simply because their policies have not been up to it. I am therefore grateful to the right hon. Gentleman for providing an opportunity to set out in a little more detail how we would tackle the twin challenges of carbon emissions and fuel poverty that domestic energy efficiency throws up.

As Members know, carbon emissions from the UK's housing stock are some of the worst in Europe. Without urgent action to reduce emissions, we will struggle to stay on track to satisfy the targets implicit in the Climate Change Act 2008 and the recommended emissions reduction trajectory laid out by the Committee on Climate Change. Moreover, fuel poverty is a ballooning social justice crisis throughout the UK. The average gas bill has increased by 169 per cent. since 2003 and the average electricity bill has nearly doubled. Ofgem predicts that energy bills will rise by another 60 per cent. by 2015 and, with 40,000 people pushed into fuel poverty by every percentage point rise in fuel costs, it is clear in the statistics that we have a serious problem indeed.

It is also clear that there has been systematic failure in this Government's efforts to tackle the problem with the policy toolkit that they have had available. As right hon. and hon. Members have said, there have been too many schemes. They have often been well meaning in themselves, but the sum total of the parts is not a coherent and ambitious whole. There have been too many stop-go initiatives, too much talking and not enough action.

The Government had promised that, at the turn of 2010, no vulnerable household would be left in fuel poverty, yet current estimates suggest that nearly one fifth of UK households were still spending more than 10 per cent. of their income on energy—the key definition of fuel poverty—at the same time that British Gas announced a surge in profits. The Government have relied for too long on falling wholesale energy prices to reduce fuel poverty and have not taken any real, concrete steps to tackle the challenge on a much larger scale. The average fuel bill is now a shocking £1,300 per year, yet competition in the sector is a fraction of what it was when the industry was privatised, nearly 20 years ago.

For off-grid gas customers, the problem is particularly acute, as has been mentioned. Heating oil and electric heaters compare poorly with even fairly old gas heaters in terms of value for money, and off-grid properties tend to be less efficient and harder to insulate as they are often older, single-skinned rural buildings, or, in the case of my constituency, static homes. There is an urgent need to address energy consumption in those often vulnerable households.

Rising bills have been compounded by other Government failures. The value of the winter fuel payment has decreased in real terms. When instigated, it covered one third of the average bill; now, it barely covers one fifth. In addition, the Government have slashed the budget for their Warm Front programme. Whatever concerns we may have about the programme's effectiveness, the bottom line is that the budget reduction from £1 billion to £810 million this year will lead to 50,000 fewer vulnerable households receiving assistance from that programme this year.

Mr. Kidney: Did the hon. Gentleman write his speech before the pre-Budget report? It included another £150 million for Warm Front, which takes the three-year spending figure to more than £1.1 billion.

Gregory Barker: Yes, but, as I understand it, the money announced in the pre-Budget report was exactly that—it will not do anything to help vulnerable people this winter. To put the figures into context, the Treasury collected £9 billion of VAT receipts from UK utilities and £1.2 billion from domestic fuel customers last year.

Rising bills have been fuelled by the Government's lack of a credible energy policy. Allowing utilities to sweat assets and the failure to bring a greater strategic focus to infrastructure renewal have left the UK a net importer of gas with a looming energy crunch. That, combined with only 14 days' gas storage, leaves the UK vulnerable to spikes on the spot market, gives utilities a fig leaf for raising electricity bills, and is a particular threat to off-grid consumers.

The solution to many of those challenges is simple, straightforward and pays for itself: greater energy efficiency. In the home, that means energy saving and insulation. Some 33 per cent. of the heat lost from an uninsulated house is lost through the walls. One could save around £90 on energy each year in an average home by insulating wall cavities alone. That would save about £720 million of energy a year, or 9 million tonnes of carbon—enough to power 1.8 million homes for the same period.

Despite the clear economic and social advantages of increasing energy efficiency at scale, we are not moving at the scale and pace that is needed. That is why, a year ago, the leader of my party announced an energy refit programme, the Conservatives' green deal, that would establish a new model with a far greater sense of ambition for delivering energy efficiency throughout the UK—a new way of tackling this embedded social and economic problem. Under the Conservatives' approach, households would get instant access to measures to make energy efficiency improvements, the cost of which would be paid back, not by the householder, but by the owner of the property who pays the electricity bill over 20 years through a surcharge on bills, just as transmission charges, for example, are currently levied on an electricity bill. That would guarantee immediate savings, so homeowners would see not only an improvement in their quality of life, but an immediate saving. With a street-by-street roll-out in partnership with local authorities and by targeting vulnerable households, that policy will also bring together the dual priorities of reducing fuel poverty and reducing carbon emissions, but on a far more meaningful time scale than has been achieved by the Government over the past 13 years.

When we first set out the principle of our energy efficiency measures, they were then routinely rubbished by Labour Ministers. The Secretary of State for Energy and Climate Change dismissed as a

"a bad combination of...reheated and...uncosted"

policies. They pooh-poohed the figure of £6,500, saying that it could not be afforded, yet the beauty of our scheme is that there would be no overall charge to public funds. The scheme will be privately financed by banks and investment funds; I have met many of their representatives and they are keen to enter this new, exciting market. But one year on, it is no surprise that the Government have realised that they simply cannot go forward with their own policies and have produced, I am glad to see, something that is remarkably similar to the Conservatives' programme, with a few tweaks at the edges. Imitation is the sincerest form of flattery, but it is disappointing that it has taken the Government 13 years

[Gregory Barker]

to do that. Now in their death throes, in their last weeks in Government, they have finally had to admit that their policy has not worked and they need to come up with something else. However, that is welcome in so far as it means that, in the new Parliament, there will be much greater consensus on the way forward on tackling this urgent problem.

I am concerned that the Government have not really had a genuine change of heart and that this is just a political ruse. Their policy is undermined by its being twinned with renewable energy and renewable energy feed-in tariffs. Burrowing into the Government's statistics, their own anticipated forecast and target is that by 2020 only 1.6 per cent. of our energy will come from decentralised energy sources supported by feed-in tariffs. If that fact is married to the "Warmer Homes, Greener Homes" strategy, that is a pathetically unambitious and impoverished figure that shows that that is not a genuine adoption of the agenda but is merely a political manoeuvre to try to parry a radical proposal from the Conservatives. I am sorry that the Government are not really, in their heart of hearts, keen to embrace this agenda, but I welcome any moves towards it.

I want to give the Minister time to reply to the many points that have been raised, but in so far as we see any consensus in the Chamber today, there is consensus on business as usual not being good enough. We are not making the progress that we need to make. We need fresh ideas, new thinking and a far more ambitious time scale on implementation. We need to embrace new technologies as well as new financing models. I look forward to hearing what the Minister has to say. Ultimately, the only way that we are going to get to grips with this agenda to do justice to the fuel-poor as well as to our carbon transformation is to sweep away this tired, end-of-life Government.

10.44 am

The Parliamentary Under-Secretary of State for Energy and Climate Change (Mr. David Kidney): I congratulate the right hon. Member for Gordon (Malcolm Bruce) on securing an important debate on a important subject, and on his thoughtful, constructive approach to it, which was in stark contrast to that of the previous speaker, who turned it into a party political argument.

In respect of the point made by the right hon. Member for Gordon partway through his speech—that real people really die in the cold of winter if we do not get this right—eradicating fuel poverty is an important challenge to Government. That is my responsibility in this Government and I take it seriously.

I prepared what I think is a brilliant speech to respond to the debate, but I did so before I heard hon. and right hon. Members speak. It would be a much more constructive use of my time, certainly to begin with, to try to answer the points that were raised, so that is what I intend to do.

The right hon. Gentleman mentioned the trend in fuel poverty. Back in 1996, 6.5 million households were in fuel poverty. By 2003, partly because of benign global prices, partly because of the system of regulation of energy companies and partly because of the first successes of some schemes that I may have time to mention later, that figure decreased to 1.5 million, which is a huge change. Then came four years of incredibly high price rises. The hon. Member for Bexhill and Battle (Gregory Barker) mentioned that huge growth in prices in quite a short time. However, no hon. or right hon. Member has said that there was something that the British Government could do about worldwide oil prices and their knock-on effects on energy prices around the world, but clearly that blew us off course in eradicating fuel poverty in this country.

The result of all that is that the 2007 figures—frustratingly, for me, those are the latest official statistics—based on all the information having been collected and assessed, show that 4 million households in the United Kingdom are in fuel poverty. Doubtless, prices continued to rise after 2007 and, although there was a fall-off more recently, which I might mention in a while, the figure is probably higher, not lower, as we speak. I take seriously my responsibility for trying to get that figure down again, rather than have it go up, despite what happens to global prices.

I acknowledge what the right hon. Gentleman said at the outset about certain properties. My hon. Friend the Member for Stroud (Mr. Drew) also mentioned what happens when we have taken all the quick wins and insulated all the lofts and cavity walls. That has been done to great effect over the past 12 years—perhaps I will be able to provide some statistics later—and by 2015 we aim to insulate every loft and cavity wall that can be filled, provided that the owners and occupiers of properties permit the work to be done.

When all those easy wins have been achieved, we are left with the harder-to-treat properties, many of which, as the right hon. Member for Gordon said, have solid walls with no cavity. It is incumbent on us to find the solutions to deliver sufficient energy efficiency measures to those properties to bring them up to a good standard of energy efficiency.

In the past, as the right hon. Gentleman said, the answer has been a fairly cumbersome system, usually external wall cladding, which sometimes, although I should stress not always, leaves quite a visual impression on a property that most people do not like. Developers have been working hard on modern forms of external cladding that are much easier on the eye and, crucially, on clever technologies and innovations in technology for internal-wall cavities that can be created with a modest loss of space inside the property, which is key to consumer acceptance of the technology. I do not know whether the right hon. Gentleman has visited BRE's research centre at Watford, as I have, and seen some of the work that is going on to develop such technologies, but that work is in hand.

The right hon. Gentleman mentioned the Government's strategy that was launched yesterday. When I say "HEM" from now on, that stands for the household energy management strategy. He is right to ask for all the details of that strategy and when it will take effect. The point about the strategy—given sufficient time, I will mention the works that we are doing up to 2012—is that it is our view of what happens from 2012 to 2020 to improve properties, especially those that have so far been regarded as hard to treat.

The right hon. Gentleman asked about local authorities working independently and not being co-ordinated or given the tools to do the job. HEM gives local authorities a central role in co-ordinating our activities to tackle

fuel poverty and make properties more energy efficient. He referred to a woman who said that what she really needed was accurate advice from someone. HEM provides the solution of a new cadre of certified and well-trained advisers who can provide independent advice on all the options.

In the meantime, I do not want to diminish in any way the excellent advice given by the Energy Saving Trust, which is funded by my Department and provides a national system of call centres to provide advice. On the internet, through our branded website, actonco2, people have access to accurate and independent advice from the Energy Saving Trust.

The right hon. Gentleman asked about watching out for cowboys, whether installers or those who offer products, and it was suggested that there should be a reliable system of certification. In the HEM strategy, we discuss how we intend to provide a reliable system of certification. I hope that he can see how the strategy in each area will be valuable, although I acknowledge that, as he said, it will come into effect in coming years and is not in effect today.

The right hon. Gentleman made an important sally on the significant issue of properties that are off the mains gas grid, most but not all of which are in rural locations. I shall start with his request for statistics. He said that 1 million properties in Scotland are off the gas grid. If so, my figures are not sufficiently accurate, so I must be careful. According to my statistics, in 2007 in Scotland, 278,000 properties were off the mains gas grid, which is 12 per cent. of the total. In the same year in England, 2.6 million were off the grid, representing 13 per cent. of the whole. In Wales, 230,000 were off the grid, which is 19 per cent. of the total.

The picture in Northern Ireland is very different. There is effectively no mains gas grid, and 621,000 properties are off the grid, which is 88 per cent. of the total. I hope that those statistics are helpful in showing the scale.

The right hon. Gentleman asked what we are doing to help people who are off the mains gas grid to keep the cost of keeping their homes adequately warm at a reasonable level. I mentioned the drive by the regulator, Ofgem, to incentivise the energy companies to extend the mains grid to 20,000 more households that are in fuel poverty during the current five-year price control round. That is one measure.

Under schemes such as CERT—the carbon emissions reduction target, which is the obligation on energy companies to deliver energy efficiency measures—there is no reason why properties off the mains gas grid should not be helped, but I take to heart the point made by the right hon. Gentleman that the Government should direct energy companies to do more work in such areas, because, as my hon. Friend the Member for Stroud said, they too, driven by volume targets for reducing carbon dioxide emissions, have taken the easy wins, which are often in concentrated areas such as urban areas. Perhaps they have not given the necessary attention to that in the past. Under HEM, as we continue the obligation on energy companies, we intend to take more power to give directions on the sort of work that we want done.

As an example of how we are already flexing our muscles, we recently consulted on extending CERT from 2011 to the end of 2012. In the consultation, we asked for people's views on directing the energy companies to do more of their work as energy efficiency measures—no more free light bulbs posted to people's homes—and to aim more of its work at a super-priority group, which we intend to define as those most in danger of being in fuel poverty to have more work done to their properties under CERT. That is an example of the more activist approach that the right hon. Gentleman urges on me.

Very recently, in September, we launched CESP, the community energy saving programme, which is the next step on from CERT and our publicly funded programme, Warm Front. Under CESP, we ask energy companies, local authorities and community groups to form local partnerships and go house by house, street by street, to improve the energy efficiency of every property, whether hard to treat or not. CESP has been a good forerunner of what we expect the landscape across all those schemes to look like post-2012.

Two of the first schemes announced by British Gas were in Glasgow and Dundee in Scotland, but they are urbanised areas. My ambition, as a Minister with a keen interest in rural communities, is to see some CESPs formed in rural areas. There is no reason why they should not be, if energy companies and local authorities form partnerships in such parts of the country.

I urge right hon. and hon. Members who have taken part in the debate to go back to their local authorities and to use their contacts with energy companies to ask why there is no CESP in their area. That is another example of what we can do for such areas.

The feed-in tariffs that will start in April are an incentive for people in rural areas to consider microgeneration as a source of energy, and now as a source of income as well. In 2011, there will be a renewable heat incentive, which will be hugely significant, especially in rural areas and for people off the mains gas grid to take their energy from renewable sources of heat, and to receive a reward from the Government for doing so. That is a strong message to people, as is that about microgeneration.

The right hon. Gentleman asked what efforts are being made to promote microgeneration. This Government had the first ever microgeneration strategy in 2006. We are renewing and refreshing it to deliver an up-to-date microgeneration strategy. There is a certification scheme for the goods and services under microgeneration, and grants are available for people under the low-carbon buildings programme to fit some forms of microgeneration to their properties. There are already encouragements for microgeneration.

Danny Alexander: Will the Minister explain briefly how the Government intend to fund the renewable heat incentive?

Mr. Kidney: The clock is against me and I have much more to say, including my answer to the hon. Gentleman's question about the renewable heat incentive. I do not have an answer today, but there will shortly be an answer in the Budget, so I ask him to be patient.

Malcolm Bruce: First, will the Minister answer my question about the range of products available under the microgeneration certification scheme? My point was that they are more expensive. Secondly, will there be some sort of retrospective allowance for people who have already invested in microgeneration to benefit from feed-in tariffs?

Mr. Kidney: I will deal with those points. On the range of products, when we go from no certification to certification—there is already a certification scheme for microgeneration—it takes time to build up sufficient products and sufficient people with the skills to carry out the installations, but we are determined to drive that forward. On a different point, the right hon. Gentleman said how important it is that there are certification schemes to avoid the cowboy scenario. We need to do the work, and I am keen to do so.

I had not quite finished explaining what we want to do to help people who are off the grid. The social price support, about which several Members spoke approvingly, means that there would be money off the bills of fuel-poor households for their electricity. Generally speaking, people have an electricity supply wherever they live, so off-mains gas grid customers will have the benefit of social price support if they are in danger of fuel poverty.

For those who must pay for heating oil or liquefied petroleum gas and have difficulty with the up-front cost of bulk buying, National Energy Action is carrying out work at the request of the Department of Energy and Climate Change to see whether there are ways—for example, through credit unions—to help people with up-front costs. That could be a significant development.

On feed-in tariffs, our judgment is that people who decided to fit renewable energy sources before we announced the scheme based their decision on the scene as it was at the time. They may have received a grant from the low-carbon buildings programme, but they did their own calculation, so we do not feel too guilty about the fact that the system is to drive more investment in future, not to reach back to reward those who based their judgment on the situation at that time.

The right hon. Gentleman also asked about the location of weather stations and cold weather payments. The Department for Work and Pensions reviews the locations every year and takes into account the representations made by hon. Members and the public. I remember statements by that Department of changes that it had made in response to representations. I urge right hon. and hon. Members to make their representations.

I have so much more to say just in reply to right hon. and hon. Members' questions, but on the issue of confusion, no one has mentioned Consumer Focus, the consumers' champion. I am keen to support it so that everyone talks about its role—its help is very significant.

Isle of Wight NHS Primary Care Trust

11 am

Mr. Andrew Turner (Isle of Wight) (Con): I am grateful to have secured this debate on the Isle of Wight NHS primary care trust and its regulatory burden, and I welcome the Minister who is going to respond.

As hon. Members are aware, nationally set targets and inspections are seen by the Government as the best way of ensuring high-quality patient care in a primary care trust. Too often, however, such targets are counter-productive; visits by patients to hospitals and doctors are important, not visits by inspectors. Targets are regarded as a burden to be shouldered rather than a catalyst for best practice, and national priorities get in the way of effectively responding to local needs.

The NHS is a national organisation, but health care is delivered locally whether in the surgery around the corner, the hospital in the larger town or the ambulance anywhere, any time. The population of the Isle of Wight is in excess of 130,000 people, and less than half that number would usually support a district general hospital. Let me be clear: there are no road or rail links to the mainland. Patients transferring off the island are dependent on the weather, so St. Mary's hospital in Newport is essential. When health care in the south-east was reviewed four years ago, it was recognised that the island's health service needed to be organised in a different way. Established in October 2006, the Isle of Wight NHS primary care trust is a single organisation that combines the commissioning function and the provider function for all health care on the island. That is unique in the NHS in England.

On the mainland, ambulance, hospital, mental health, community, learning, disability and primary care services are the responsibility of separate trusts. On the island, however, they all fall under the remit of the Isle of Wight NHS PCT. For patients, the merits of such a unitary approach are borne out by the evidence, which suggests that fewer patients are referred to secondary care on the island and that more patients return to their homes following hospital discharge. Care for those with long-term conditions is of a very high standard.

In a recent survey, 82 per cent. of islanders said that they were satisfied with the local NHS; 90 per cent. were satisfied with the local ambulance service; and 92 per cent. were happy with their GP. Indeed, in the Care Quality Commission's 2009 annual health check, the Isle of Wight was one of only three PCTs in the country to receive an "excellent" quality rating.

I can speak personally about the outstanding quality of care because in 2006 I suffered a stroke. My recovery—and the fact that I am standing here today—is testament to the hard-working doctors and nurses on the island, and I would like to pay tribute to the dedication of all health care professionals on the Isle of Wight. Without them, our unique system of health care would not be possible.

Through working in partnerships, the PCT delivers a comprehensive and cost-efficient service, but its unique nature has not been recognised in the national inspection regime. We have a single Isle of Wight NHS organisation that should be recognised with a unified set of inspections and targets. Instead, however, each part of the whole is held to account as though it were autonomous, and is

monitored separately. Although that may be right for other places, such an approach is not valid on the island and leads to an unhealthy level of targets and inspections being imposed on a single health authority. That disproportionate regulatory burden threatens to undermine the benefits of a joined-up approach.

The island's PCT receives up to 70 external visits from 20 different regulators or monitoring bodies. No other PCT or trust is subject to such intervention. Furthermore, for 2010 and beyond, the Care Quality Commission has proposed 13 special reviews for NHS trusts, and it is likely that all of those will apply to the Isle of Wight's PCT. It could get to the point where it becomes necessary to employ people full time simply to satisfy the demands of bureaucracy. That represents money that could be better spent on the front line.

In his response, will the Minister tell me why such a level of visits is necessary, and why they cannot be more effectively co-ordinated? Nationally, each individual trust is subject to separate targets. For example, acute trusts currently have 10 existing and 14 new national priority targets to reach. Mental health trusts have 12 national priority targets while learning disability trusts have five. Ambulance trusts have four existing and six new national priority targets, while primary care trusts have 14 existing and 24 new national priority targets to meet.

Although I do not agree with such numbers, for the sake of argument I accept that such a division of targets is necessary on the mainland. However, on the island it means that our single PCT has 28 existing and 61 new targets to achieve—89 in total. Such a high number does not apply to any other trust or PCT, and such excessive national targets simply do not correspond in the case of the Isle of Wight. Will the Minister indicate whether such a level of targets is necessary for an organisation that exists outside the organisational norm?

More generally, I question whether such a level of targets really caters for the best interests of patients. We need only look at the tragedy in Staffordshire, where managers were motivated more by central targets than by patients who needed treatment. The Government must ensure that targets help to provide for patients' needs rather than taking money away from front-line care.

On the Isle of Wight, the burden of regulation not only places demands on the time of professionals that could be better spent treating people, but imposes a heavy financial burden. I am told that all NHS trusts and service providers will have to register services with the CQC by October this year. For the Isle of Wight PCT, that means 18 different service types across 12 different locations. Such a level of bureaucracy for a small organisation is bad enough, but from 1 April 2011 an annual registration fee will be required for each service provider. The Isle of Wight PCT is an amalgamation of many local providers, and such fees could therefore have acute financial consequences. Will the Minister give me an assurance that when the new fees system is put into practice, he will look carefully at the fees that the Isle of Wight PCT will have to pay?

On the whole, the Isle of Wight PCT seems to be being penalised for its unique nature. Over and over again, we see the organisation contorting to fit into the inspection regime when it is the system that should adjust and adapt to the organisation's circumstances. Will the Minister review the level and type of regulations for such a unique organisation and, in doing so, give scope for a more flexible approach? If we attempt to push inappropriate national criteria on a local organisation, we run the risk of undermining the benefits to local people.

While I have the Minister's ear, I should like to mention one other matter. On 4 November 2009, the Prime Minister gave me an assurance at Question Time that the excessive cost of guarding prisoners receiving health care outside prisons would be dealt with. I was surprised to hear from my local PCT that it has heard nothing further from the Government on the matter. Will the Minister kindly ensure that that, too, is followed up?

The Isle of Wight health service is full of dedicated professionals who want to be able to get on with what they are paid to do—caring for my constituents and visitors to the Isle of Wight, not filling in endless forms to meet meaningless targets.

11.11 am

The Minister of State, Department of Health (Mr. Mike O'Brien): I congratulate the hon. Member for Isle of Wight (Mr. Turner) on securing an important debate. Regulation is about ensuring that we maintain the quality and standards of the national health service throughout the country. We know very well that a failure to ensure that quality and standards are maintained can lead to problems such as those at Mid Staffordshire. We do not want a repeat of those problems anywhere in the country or, indeed, a repeat of the issues that we have seen at Basildon and one or two other hospitals, which, although they were not on the scale of the Mid Staffordshire debacle, were certainly worrying for the health service as a whole.

We have a health service that throughout the country provides, by and large, a good quality of care for patients. Individual examples of hospitals that fail always hit the headlines and may contribute to a disproportionate public perception of the NHS. However, as a result not only of the standards of professional competence for health professionals and managers in the health service, but also of regulation, by and large, the standard of the health service is good across the country as a whole. We need to ensure that we keep monitoring the quality of that health care and that we have the proper criteria and mechanisms to do that.

The country differs greatly. There are various local frameworks for the NHS and methods of organisation to which we cannot possibly address a national system of regulation. The Isle of Wight is in many ways almost unique in how it delivers health care. The hon. Gentleman is right that the standard of care provided on the Isle of Wight is in the category of excellent. The way in which it is delivered is a result of the particular circumstances. Like many people, I am familiar with the Isle of Wight from going on holiday there—I cannot remember on how many occasions, but it is a significant number. It needs to be recognised that because of that situation, the Isle of Wight has to deliver health care in a particular way, and it does so very well indeed.

I can well understand that the health professionals and managers and those who have to deal with NHS finance are concerned that the way in which regulation occurs on a national basis does not accommodate the Isle of Wight's particular circumstances. There is a

[Mr. Mike O'Brien]

strong argument that that is the case and the hon. Gentleman has very eloquently put it. Other parts of the country might advance similar arguments that the way in which regulation occurs does not fit their circumstances. I am not sure that they are all quite as unique as the Isle of Wight. None the less, there are many different ways of doing these things. If we had a national system of regulation that was tailored to each area, we would be getting into a very expensive and complex system of regulation, and we cannot do that, but that does not mean that we cannot help the Isle of Wight. I shall come back to that issue in a moment.

The hon. Gentleman raised the key criteria by which regulation occurs—targets, for example—and asked whether there should be quite so many targets. We are conscious that some health professionals have said to us, "Look. Targets are important, but there are too many and you must not only put them in but, when they have done their time, take them out." We accept that and are examining some of the targets on waiting times. Some of those are, in a sense, bypassed because the waiting times are now so short that we have hit the target and gone well beyond. Therefore, the health service does not need some of those targets, but when we have a national health service, we do need to have national minimum standards across the health service as a whole, particularly on waiting times—four hours in A and E, 18 weeks for an operation and two weeks to see a cancer specialist after referral by a GP. Those are basic standards of health that the health service throughout the country should provide.

When we have gone through a period during which the taxpayer has put in vast amounts of extra money—it depends how we look at it, but there has virtually been a tripling of the budgets of the health service—it is important that the taxpayer knows that something tangible and measurable is coming out of that extra investment and that it meets a basic minimum standard and is better than what was provided in parts of the health service in the past. That is why I am a defender of targets. We now wish to move from managerial targets to guarantees for individuals, so that each individual would have the right to enforce a guarantee in their own case. I believe that we could do that in fairly short order if, perchance, we were to win the general election—a matter for the electorate. I am a strong defender of those measurements of what we, as taxpayers, are receiving for the extra investment and higher taxes, and it is higher taxes that we pay to ensure that the NHS is properly funded.

We are talking not just about the NHS: in areas such as the Isle of Wight, there are a number of other services, which are linked up, so a lot of targets end up being built up for the ambulance service, the hospitals and primary care services. I understand that, but we are putting in a lot of extra money. Therefore, there is a justification for those targets and for applying them on a national basis, so I make no apologies for saying to the Isle of Wight, "You, too, as an authority, need to comply with the basic minimum standards of the country as a whole."

The question then is how we ensure monitoring of compliance and the overall general standard of health care and other services provided, and whether the system of regulation is proportionate to the particular circumstances in a place such as the Isle of Wight. I share the hon. Gentleman's concern that regulation, particularly in the area that he represents, should be proportionate and should recognise the particular local circumstances, but at the same time it needs to be national and should not become so diversified that it cannot properly compare services throughout the country. Everyone should know basically what is being regulated.

Our new regulator, the CQC, will cover a much broader range of services than previous regulators, so we have brought different aspects of regulation together. The CQC has adopted what is called the gate-keeping role, which requires it not to impose a whole series of regulation inspections and visits in a disjointed and ad hoc way, with different groups arriving at different times and disrupting everyone. Instead, it should take a reasonable and proportionate view of how it regulates the system as a whole. In a sense, it should also gate-keep itself so that it does not carry out inspections and reviews in a way that imposes a disproportionate burden on particular areas.

The CQC has become aware of the problems of the Isle of Wight. That is due in no small measure not only to representations from the various local health bodies, but to the fact that the hon. Gentleman has made sure that the concerns of the Isle of Wight are raised. The CQC will seek to apply the gate-keeping role and to be proportionate and reasonable in carrying out its regulation. I cannot guarantee the hon. Gentleman that there will not be a series of regulatory visits. That is mainly because different regulators regulate different things, so they cannot all turn up at the same time, do the same regulation and disappear at the same time.

There will therefore be a need to manage things in a way that is reasonable for both sides. That will allow regulators to take a view that there are particular circumstances in the Isle of Wight and that they need to gate-keep the regulatory burden to ensure that it is not disproportionate. On the other hand, it will allow people in the Isle of Wight to recognise that regulation in its different forms may impose a burden that is unwelcome, given that the Isle of Wight is in the excellent category, but that that needs to happen to ensure that there is national regulation.

One benefit of being in the excellent category, and one way in which we have changed things recently, is that regulation is much more risk based. Every hospital will have a visit every two years, but some will have visits more regularly—every few months—because they need them and are regarded as high risk. However, given that our approach to regulation is risk based, some hospitals will have fewer visits because they are in the excellent category. High-quality services of the kind that the CQC recognises, at this point at least, in the Isle of Wight should need less regulatory intervention than lower-quality services.

As we all know, services can change, so regulation must change with them. An excellent service can become a not-so-good service, so services must continue to be monitored and regulated. At the same time, where there is a level of excellence in a service, we need to ensure that the regulator can say, "We don't need to visit them quite so often. When we do visit, we can perhaps do it in a more appropriate way, because there is less of a problem there from what we already know." If things

changed, however, and the service deteriorated, the level of intervention and the unannounced visits and so on, which are needed if there is a problem, would necessarily increase. What I have said is not, therefore, an indefinite guarantee for the Isle of Wight; it simply recognises that if a service is seen as high quality and can demonstrate when visits take place that it remains high quality, the number of visits need not be as high as they would be otherwise.

That is a positive message for the Isle of Wight. It has developed a unique approach to the health service that is appropriate to it. As the hon. Gentleman said, 92 per cent. of patients admitted to St. Mary's hospital in Newport were happy with their treatment, although the figure that I have is 93 per cent. We can quibble over the 1 per cent., but the public seem very happy by and large with the way in which services are provided. I hope that the standard in the Isle of Wight will remain one that requires a proportionate system of regulation.

The hon. Gentleman asked me to take up the issue of guarding prisoners outside prison, and I will make some inquiries on his behalf about what is happening on that. Having set out some of the issues, however, I hope that I have dealt with most of the points that he raised. In those circumstances, I need not detain you any further, Mr. Cook.

11.26 am

Sitting suspended.

Communications Allowance

[Frank Cook *in the Chair*]

2.30 pm

Keith Hill (Streatham) (Lab): It is a pleasure to serve under your chairmanship, Mr. Cook, as I have on a number of other occasions. As this is likely to be my final appearance in Westminster Hall, I am particularly pleased that you are chairing our debate. I am sure that you and other Members present share my sadness at the news of the death of Michael Foot, a former Labour party leader and a great parliamentarian.

Right hon. and hon. Members may have noticed the slightly convoluted history of the title of this general debate. Suffice it to say that the debate has been secured. I am pleased to see my hon. Friend the Deputy Leader of the House in her place, ready to respond to the debate. Although it appears that the House has consigned all power over MPs' communications expenditure to an outside body—the Independent Parliamentary Standards Authority—at least for the brief remainder of this Parliament my hon. Friend has ministerial responsibility for the winding up of the communications allowance, hence the title of the debate.

I find it surprising that the House should have given over responsibility for something so basic to the democratic process as a Member's communications with his or her constituents to an outside body—one that has relatively little experience of political struggle on the ground. We already know to all intents and purposes what that body has decided about the future of communications expenditure: it has trodden in the footsteps of Sir Christopher Kelly's Committee on Standards in Public Life in its, in my view, somewhat cursory treatment of the communications allowance. I shall say a little more about the Kelly report shortly.

The intentions of IPSA are set out in its recent consultation document. There will be no more communications allowance; expenditure will be allowed only on advertising for constituency meetings and advice surgeries and on contact cards. The document states:

"All other currently available types of communications expenditure will be excluded",

so there will be no more annual reports, and no more websites.

Mr. Graham Stuart (Beverley and Holderness) (Con): Will the right hon. Gentleman give way?

Keith Hill: Not at this early stage. I have plenty to say, and I shall yield the Floor to Opposition Members once I have developed my argument a little further.

The communications allowance was ushered in by the Puttnam Commission on the Communication of Parliamentary Democracy in 2005, introduced as recently as April 2007 and endorsed by the Senior Salaries Review Body less than a year ago. It has been used by about 600 Members of Parliament, including the majority of Conservative Members. Yet the communications allowance has cursorily been brushed aside—indeed, there will now be less funding for communications than existed prior to the introduction of the allowance. That is extraordinary.

[Keith Hill]

It is clear to me that communications expenditure has become a victim of the backlash following the expenses scandals. In no way could that element be the object of personal financial gain, yet we Members of Parliament have allowed this to happen almost without process and, as far as I can see, almost without debate. Well, I protest, and this is the debate. IPSA has apparently carried out a consultation on expenses, including communications expenses. I trust that today's debate will form part of its consideration.

Mr. Stuart: The right hon. Gentleman says that the communications allowance could not be seen as being in the financial interests of Members. It may be some time since he was a candidate opposing a sitting Member of Parliament, but when he did so, that sitting MP did not have, in addition to all his staff funding, £10,000 a year to spend on self-congratulatory literature. By the sound of it, if he had his way, such literature would be going through people's letterboxes all the way to election day, thus distorting our democracy, supporting incumbents and not freeing up and allowing a fair playing field. That is why I turned up here today. The communications allowance is fundamentally corrupt and it cannot be got rid of too soon.

Keith Hill: I find that to be a somewhat predictable intervention. I shall deal with the points raised by the hon. Gentleman in due course.

Bob Spink (Castle Point) (Ind): Will the right hon. Gentleman give way?

Keith Hill: No. I think that the decision to scrap the communications allowance is wrong, and I want to explain why. The communications it funds between an MP and his or her constituents are of great importance to democratic accountability. What is more important at this time than the links of accountability between MPs and their constituents? In passing, the withdrawal of the communications allowance creates a particular difficulty in highly transient big city seats such as mine, where MPs have a huge challenge in trying to make electors aware of their activities.

In the absence of any effective limit on pre-election expenditure, the withdrawal of the communications allowance will severely and unfairly disadvantage incumbents facing highly funded campaigns by opposing candidates. I know that my audience has been waiting for this reference: I obviously think of the noble Lord Ashcroft and his works, but I assure the House that it does not end with him and I intend to show how.

Several hon. Members *rose—*

Keith Hill: I shall not give way. The truth is that, against such well heeled campaigns, the communications allowance is not much, but it at least offers a line of defence against the attempted purchase of parliamentary seats. I remind the House that I make my case for the communications allowance—

David T. C. Davies (Monmouth) (Con): On a point of order, Mr. Cook. May I establish whether that British citizen was warned that such a disgraceful reference would be made to him? We know that the Labour party is quite happy to sell passports to people such as Lakshmi Mittal in return for donations. Can we be told whether or not—

Frank Cook (in the Chair): Order. I have the point. *[Interruption.]* Order. I will not allow this sitting to descend to the level of a bar-room brawl. Let us have some sense.

That was not a point of order. Furthermore, if right hon. and hon. Members were prepared to listen to what is being said, I might be able to hear it, too. Do not bring the behaviour of the main Chamber down to this Chamber, where we usually concentrate on having a fairly delicate, logical, clear and polite exchange of views. That is what Parliament is all about.

Mr. Graham Stuart: Further to that point of order, Mr. Cook. My understanding is that critical reference, and certainly reference in the strong terms used by the right hon. Gentleman, should not be made about a Member of the other place without notice being given. We cannot allow people to abuse the House in that way—

Frank Cook (in the Chair): Order. I have your point. It would appear that my rationale has not been understood. I stated that if right hon. and hon. Members were prepared to curb their standards of conduct, I might be able to hear what is being said. I will not allow any Member here, regardless of political complexion, to impugn anyone else in the House. That is all the more reason why everybody should be listening to what is being said—and allowing me to listen at the same time.

Keith Hill: I was about to remind the House that I make my case for the communications allowance on entirely disinterested grounds. Members may be aware that I announced some two years ago that I would retire at the general election, so I have no personal stake in the allowance. I make the case for it because it is right in democratic principle and because I believe its withdrawal could lead to injustice. I shall now give way to the hon. Member for Castle Point (Bob Spink), because I am particularly fond of him as an independent-minded Member. However, I propose to proceed with due haste thereafter.

Bob Spink: I am grateful to the right hon. Gentleman for giving way. I am grateful to him also for bringing this matter before the House. It is important to inform, engage and empower our constituents and any decent Member of Parliament will use and will have used the allowance to do just that—for example, to inform constituents about claiming pensions credit and changes to national insurance for carers from 1 April. The cynical and negative view of the communications allowance that we have just heard from Her Majesty's official Opposition is disgraceful, and that is what brings this House into disrepute.

Keith Hill: I am glad that I allowed the hon. Gentleman to intervene at that point.

I mentioned that the communications allowance came in on the back of Lord Putnam's commission's work on Parliament and communications, which concluded

that both the institution and MPs needed to be better equipped to communicate with the public about the workings of democracy. It is surely irrefutable in principle that MPs need to offer their constituents some account of their activities in both the House and the constituency. In the light of longer-term voting trends and in the immediate aftermath of the expenses scandal, surely such accountability is more important than ever before. We have to rebuild the trust between politicians and the people, and one of the ways in which we can do that is by explaining what we do. In practice, unless MPs do it, no one will. It is a fact of life across all media, including local media, that there has been a decline in the reporting of Parliament, yet it is good for democracy that people should know what their MPs have been doing in Parliament and that, from time to time, they have succeeded in bringing benefits to their constituencies.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Will the right hon. Gentleman give way?

Keith Hill: I served with the hon. Gentleman on the European Scrutiny Committee, which was of course an enormous pleasure, so I will give way to him, but to nobody else.

Mr. Hands: I thank the right hon. Gentleman for giving way. His principle that Members of Parliament should be allowed to inform constituents of their activities sounds reasonable enough, but unfortunately the reality of the past couple of years has been that, on many occasions, that position has been abused and Members have had to repay money paid under the communications allowance because such information turned out to be naked party political advertising. It is that that has brought politics into disrepute, not the lack of communication in the first place.

Keith Hill: I concede that a small number of colleagues have overstepped the mark. However, I am sure that in 2008-09, when the hon. Gentleman spent substantial sums of his communications allowance on communicating with his constituents, which I notice he has now ceased to do—presumably in the light of his leader's pronouncements on these matters—his communications were entirely about democratic accountability. With my now extensive knowledge of the hon. Gentleman, I would expect nothing less of him.

Mr. Hands: Will the right hon. Gentleman allow me to answer that?

Keith Hill: I will, because I have actually made a charge.

Mr. Hands: I thank the right hon. Gentleman again. He mentioned that more than 600 Members have made use of the communications allowance, but it is worth pointing out for the record that, quite often, one has no choice, because there are some things that were previously allowable under different allowances that can now only be held under the communications allowance, such as, for example, running a constituency website. As he has specifically mentioned my use of the communications allowance, I will say that I have ceased using it and firmly believe that it should be abolished because it is an abuse and has brought this House into disrepute.

Mr. Brian Binley (Northampton, South) (Con) *rose—*

Keith Hill: I have to draw a line under accepting further interventions, at least at this early stage. I have plenty to say and we are beginning to hear a very similar message from those who are intervening on me.

The point I seek to make is that communicating that type of information is a response to the familiar cry of, "We only see you when you want our vote." It is a means of engaging the public in politics. Such communications are only one part of the process of re-engaging the public, which will not be a fast process. That is why I believe that the Kelly report was premature in dismissing that aspect of the communications allowance only two years into its operation.

I believe that there is a valuable role for communications expenditure in all constituencies. I do not want to build my whole argument for the communications allowance on this, but let me say in passing that the winding up of the allowance will be particularly unhelpful in big city constituencies such as my own Streatham seat in south London, where there are special difficulties in making electors aware of the activities of their MPs. It is all very well for colleagues presiding over very stable electorates to be somewhat snooty about the uses of the communications allowance; they have the chance of building up long-term relationships with their constituents. In London, however—it may be true elsewhere—local bought newspapers tend to have small readerships and free sheets have sporadic distributions; and regional media, radio, television and the *Evening Standard* do not cover individual constituencies and rarely report on Back Benchers. On top of such difficulties in communication, many big city seats have highly transient populations. In my Streatham constituency, the last two censuses revealed that more than 20 per cent. of the population had changed address within the previous 12 months. As a consequence, analysis of the electoral register in Streatham indicates that only 41 per cent. of current electors lived in the constituency five years ago, and 38 per cent. of current electors arrived in the past two years. Those are rather striking figures. It may be a transient electorate but it is still perfectly entitled to know what its MP is up to.

Mr. Binley: Will the right hon. Gentleman give way?

Mr. Mark Field (Cities of London and Westminster) (Con): Will the right hon. Gentleman give way?

Keith Hill: I will give way to the hon. Member for Northampton, South (Mr. Binley), but I hope that he will be brief.

Mr. Binley: I have some considerable sympathy with what the right hon. Gentleman is saying, but there are ways in which we can support newsletters. I am a capitalist and I get a lot of money from small businesses that advertise in my newsletter, so no taxpayer money goes into supporting it. I hope he will take that into account as a method of communicating as well.

Keith Hill: I am grateful to the hon. Gentleman for that intervention. Let the hon. Member for Cities of London and Westminster (Mr. Field) have his say.

Mr. Mark Field: I thank the right hon. Gentleman for giving way, and I entirely endorse what he has said about representing a London seat. I am in exactly the same boat with more than a fifth of my population turning over every single year. I confess that I have used the communications allowance in the past—not in this year because I have realised that there is now a strong move for it to be abolished—and have found it a very useful way to communicate with constituents. However, using public money in such a way gives an unbelievable advantage to an incumbent, and for that reason it is regarded as unacceptable. None the less, as the right hon. Gentleman rightly says, the majority of MPs who use the allowance do so entirely legitimately. They do not use it for out-and-out party political propaganda.

Keith Hill: I am grateful to the hon. Gentleman, who has made a reasonable intervention, as I would expect from my long knowledge and observation of him. I intend to come on to some of those points about the advantages that may or may not be conferred on incumbents.

However, let me return to my point about transients. I would be grateful to learn from IPSA how MPs in seats such as mine can be expected to engage with such challenging electorates only on the basis of leaflets about occasional meetings and advice surgeries and contact cards. Of course there were other criticisms of the communications allowance. The Kelly report criticised the self-promotional character of the materials published under the communications allowance. Frankly, it would be disingenuous of any of us here to deny that there had been such an element of self-promotion.

None the less, if we are talking about engaging local people in the parliamentary process, surely there can be no more effective means of engagement than information about the MP whose fate they themselves determine. It is my contention that there have been too many photographs, but is it not inevitable that most of the stories will be about the MP? What I strongly dispute, however, is a further Kelly report criticism, which is that there was widespread evidence that the communications allowance was being used in ways that were overtly party political. Yes, there have been some exceptions, and they have been policed and dealt with, and they involved a very small minority of Members.

Indeed, the more familiar accusation against materials produced under the communications allowance has been of their blandness rather than their partisanship, and that is because MPs have been reasonably scrupulous about excluding overtly party political content from such publications. If materials published by MPs, or incumbents, have been overwhelmingly non-partisan in character, that same constraint does not apply to their political opponents. As we know, incumbents have been the targets of very highly funded campaigns by their political opponents. It is my contention that the communications allowance has offered at least some small element of balance in the face of highly funded opposing candidates.

I beg the House not to misunderstand me. I am not arguing that the communications allowance should be used as a free fighting fund to allow incumbents to beat off challengers—it is right that it should retain its non-partisan character—but I am saying that, faced with a deluge of materials from highly funded opponents, at least the communications allowance serves the minimal purpose of reminding voters that they already have an MP in place.

Let me be frank: I believe that there should be some balance, some equity and some fairness in local and national campaign expenditure. I believe that there should be limits on local campaign expenditure, and I believe that that is achievable. Indeed, the attempt to secure at least a rough balance has been at the heart of British electoral practice for more than a century. Since 1883, with the first Representation of the People Act, successive Acts of Parliament have imposed limits on permitted election expenditure by candidates and increasingly there have been attempts to control national campaign expenditure.

At the local level, we have a cap on general election spending, and under the most recent legislation in this area, the Political Parties and Elections Act 2009, we have a cap on pre-general election spending, from the 56th month of a Parliament. However, we no longer have any restraint on spending on behalf of candidates in the years between elections. There was such restraint until 2000, when the Political Parties and Referendums Act 2000 came into effect. Pre-2000, the situation was pretty clear.

Let me quote the noble Lord Rennard—Baron Rennard of Wavertree, former chief executive of the Liberal Democrats and fabled by-election winner. Speaking in a debate in the other place last year, on the Political Parties and Elections Bill, he said:

"Between 1883 and 2000, effective legislation was in place to deal with some of the problems of using money"— *[Interruption.]*

Frank Cook (in the Chair): Order. I think that this is the third time that I have said this—there is too much chuntering. I need to hear every syllable that is said in the debate. I will not allow any Member, of whatever rank, to impugn any Member of Parliament. I need to hear what is said clearly, so please desist with the chuntering.

Keith Hill: Thank you, Mr. Cook.

Let me reprise that quotation from Lord Rennard:

"Between 1883 and 2000, effective legislation was in place to deal with some of the problems of using money to buy undue influence in a particular constituency. Inadvertently, the trigger was removed in 2000". —[*Official Report, House of Lords*, 5 May 2009; Vol. 710, c. GC210.]

The "trigger" has not been restored and the result has been a free-for-all in campaign expenditure in a number of constituencies.

In that context, it is difficult to avoid the name of another noble Lord, Lord Ashcroft, the billionaire and long-term UK resident, who in the lead-up to the 2005 general election donated between £20,000 and £40,000 to Conservative candidates in 36 marginal seats. We know that because his lordship tells us about it in his autobiography, which is entitled, "Dirty politics, Dirty times".

The story continues, as we learned from the front page of last Saturday's edition of *The Independent*, with "Ashcroft's election war-chest targets marginals" and the news that the election fund that he controls, as deputy chairman of the Conservative party, has directed more than £1.1 million to 55 marginal seats, which is an

average of £21,000 per constituency, but with much more than that being directed at some seats. For example, £36,000 was directed at the Pendle constituency. I see my hon. Friend the Member for Pendle (Mr. Prentice) in his place and I dare say that we will hear more about that contribution in due course. Another £39,000 was directed at the City of York constituency, and £55,000 at the Solihull constituency.

Frank Cook (in the Chair): Order. I am following what the right hon. Gentleman is saying and I must remind the House that we are discussing the winding-up of the communications allowance. To that end, I must insist that we make reference to the responsibilities of the Minister who is in attendance today and listening to the debate.

Keith Hill: Thank you for that advice, Mr. Cook. I want to go on immediately to the communications allowance and point out that, against such expenditure as I have just described, the average expenditure of £8,000 through the parliamentary communications allowance in 2008-09 looks pretty minor, although I would maintain that for many sitting MPs that expenditure represents their best hope of securing at least some balance in local communities.

However, it would be wrong to imagine that that gross inequality in communications expenditure is the sole preserve of Conservative candidates attacking Labour or Lib Dem incumbents. In my own Streatham seat, since early 2007 residents in all parts of the constituency have been at the receiving end of a torrent of Lib Dem campaigning materials. There have been not only the familiar Lib Dem "Focus" leaflets, but well-printed, highly expensive and multi-coloured newspapers, most of them delivered by paid, professional distribution companies. In addition to the newspaper distributions, there have been the direct mailings—there has been at least one every couple of months—that have been sent through the post to individual electors. That activity does not come cheap. I could not remotely contemplate such expenditure through the communications allowance.

For three years now in the Streatham constituency, electors have, on average, received at least one well-produced, glossy publication every month. They are communications of a highly party political nature, full of attacks on the local Labour council, the Labour Government and, incidentally, the Conservative party, all of them heavily promoting the Lib Dem parliamentary candidate, Chris Nicholson. *[Interruption.]* I am coming on to the communications allowance, Mr. Cook. As I was saying, all that communication has been hugely expensive. It amounts to far more than I could pay for through the parliamentary communications allowance, which may not even be available in the future.

Frank Cook (in the Chair): Order. I must explain that what I am seeking is a clear distinction between parliamentary funding and party funding, without comment on party funding, because we are talking about parliamentary funding—or we should be, according to the title of the debate.

Keith Hill: I want point out, Mr. Cook, that during that three-year period, when my constituents have been subject to this deluge of Lib Dem propaganda, I have been able to spend money, through the communications allowance, on about nine A4 newsletters. In that time, I have spent less than £30,000 through the communications allowance. That contrasts with a staggering total of £283,494.64 in the same period—virtually all of it funded out of the pocket of my Lib Dem opponent. Furthermore, as we know from the published accounts of the Streatham Lib Dems, it has been spent almost wholly on electioneering in Streatham.

I find it extraordinary and frankly undemocratic that an enormously wealthy man, who was recently in receipt of £800,000 in bonuses as a KPMG partner, can use his wealth to communicate far more often with my electors than I am able to as their Member of Parliament. My recurring theme is that at least I have benefited from the communications allowance in striving to maintain some balance, and I am not even standing at the next general election.

So, if this rich man far outstrips what I can spend on communications as the MP, how much more unfair is it for my successor as the Labour candidate for Streatham, Chuka Umunna, to depend largely on the donations of Labour party members? The Lib Dem candidate in the Streatham constituency is outspending me by a ratio of more than 10:1 and outspending the next Labour candidate by a ratio of 15:1.

What we are seeing in Streatham is the attempted purchase of a parliamentary seat. It is not a level playing field, it is not fair and it would be a good deal more unfair without the communications allowance. The message that I want to give Mr. Nicholson is that Streatham is not for sale.

I hope that that message will prove true at the general election; I believe that it will. However, we mislead ourselves if we think that money does not matter. If it does not matter, why is Lord Ashcroft spending so much of it? If it does not matter, why have we had a succession of Acts limiting election expenditure?

I want to bring my remarks to a close by drawing hon. Members' attention to a debate in the House last year and words that were spoken in it, which are that

"the first imperative is to get big money out of politics. There should be a strict cap on how much money one person can donate to a political party. There should be strict limits on what parties can spend at both the national and local level. No one should be able to buy an election or be seen to be buying an election."—[*Official Report*, 2 February 2009; Vol. 487, c. 666.]

Those were the words of the hon. Member for Cambridge (David Howarth), who speaks from the Liberal Democrat Front Bench on these constitutional matters. A month later, speaking on the Political Parties and Elections Bill, he said that

"we have to do something to reduce the gap between us as representatives and the people whom we represent. At the moment, one of the things coming between us and those people is big money… we must set a cap on the influence that individuals have on politics through money."—[*Official Report*, 2 March 2009; Vol. 488, c.637-8.]

I agree with the hon. Gentleman on both counts. Why, therefore, do the Lib Dems allow Mr. Nicholson to get away with such blatant flouting of their policy? It is entirely clear to me that we need local spending limits between elections, and I regret that no party has taken action to restore such limits. We need to return to the position we were in before 2000. Nevertheless, when there has been excessive spending by candidates standing

[Keith Hill]

in opposition, the communications allowance has at least offered a modest means of achieving some balance in communications with constituents.

It is right in principle that MPs should be resourced to inform their constituents about their work in Parliament and in the constituency; such communications can encourage political engagement. I regret that the Independent Parliamentary Standards Authority seems intent on imposing draconian limits on MPs' communications, and I hope that this debate will help to change its mind.

Several hon. Members *rose—*

Frank Cook (in the Chair): Order. I need to make one or two points clear. I have been very tolerant with the opening speech, allowing it to get rather broad and cover inter-election campaign funding. Having done that with the opening speech, I have to be more tolerant than I intended to be with other contributions.

I must also remind hon. Members that this is a 90-minute debate, which must finish at 4 o'clock, but, as Chair, I am required to ensure that, 30 minutes before that, I enable the first of the three winding-up speeches from the Front Benches to begin. We have, therefore, less than 26 minutes left for general debate. Three written submissions have already been given to me from Members who hope to catch my eye, and they are all from one side of the House. There are none from the other side of the House, although it would appear that a number of Members on that side want to speak.

I shall start with the first written submission, and then go on to a random sample. I call Gordon Prentice.

Mr. Andrew Tyrie (Chichester) (Con): On a point of order, Mr. Cook. I had been given to understand from documents that were provided to us as Members that for debates in Westminster Hall no benefit or advantage was given to those who submitted such written advance notice, and that we would be treated equally if we simply came and made it clear that we wanted to speak, by standing up as we are doing now. Will you please clarify whether that is the case?

Frank Cook (in the Chair): The hon. Gentleman seeks an explanation from me of my decision. Normally, the Chair would refuse to do that, but I do not mind making it clear today that Members who have shown the courtesy of contacting the Chair deserve a little more consideration, in my view. I call Gordon Prentice.

Mr. Tyrie: Further to that point of order, Mr. Cook.

Frank Cook (in the Chair): I hope that hon. Members realise that this is, of course, taking up time for debate. I call Andrew Tyrie—briefly please.

Mr. Tyrie: Mr. Cook, will you clarify whether this now sets a precedent for how people are called in Westminster Hall debates?

Frank Cook (in the Chair): That is hardly a point when a general election is so imminent and I may not be here afterwards. I call Gordon Prentice.

3.4 pm

Mr. Gordon Prentice (Pendle) (Lab): I have a lot to say, but I shall compress it because I know that so many colleagues on both sides of the House want to make a contribution. I begin by saying that what happens in Britain is not unique. I know a lot about Canada—I chair the all-party Canada group. Canadians can mail their MPs without putting a stamp on the envelope. Canadian MPs can send out annual reports; they can do what we do here, so what happens in Britain is not unique. The big problem that we face is that there are effectively no spending limits except in the immediate run-up to a general election—in the six months before it. Before that, however, anything goes. We have heard about Streatham.

Perhaps I am making a party political point here, but my jaw dropped last night when my colleague, the Member for Edmonton (Mr. Love), told me that his Conservative challenger spent £142,000 in the last three months of 2009—that is documented in Electoral Commission figures. There is no level playing field—I hate using that term. It is possible, and we are seeing it happen, to buy an election. We heard about the difficultly of contacting constituents in small inner-city seats. Many years ago, I was the leader of Hammersmith and Fulham council and I know the constituency like the back of my hand. There is a flip side, however: my Pendle constituency is 65 square miles. I do not know how many Hammersmith and Fulhams you could put in that. It is impossible to contact my constituents by just walking up the farm track—there are not the hours in the day. The way to contact people in a far-flung rural constituency is to pay people—Royal Mail—to do it.

Mr. Graham Stuart: Will the hon. Gentleman give way?

Mr. Prentice: I have my own speech to make, and if the hon. Gentleman catches your eye, Mr. Cook, he will be able to make his own.

When the communications allowance was brought in, I did not use it for the first year. I felt uncomfortable, to be honest. Since then, I have been 545th in the list. In the first year, I spent £2,349, on surgery advertisements and so on, but people were saying to me, "What on earth are you doing? You're doing nothing down at Westminster, but we've been getting all this stuff from Andrew Stephenson". I was getting letters in my office addressed to Andrew Stephenson MP, the MP for Pendle. He may well be the MP in a couple of months' time. It is not just people in this room who are listening to this debate, it is people outside as well, and he could very well be the next MP.

I used my communications allowance on five occasions, in October 2008, and in January, April, October and December 2009. My communications were not bland at all. There are no photographs of me cuddling babies, or with police officers—none of the usual stuff. In my latest parliamentary report, I complain in the article "Waiting for the ambulance" that in the West Craven part of my constituency people were having to wait ages for an ambulance, even when their situation was life-threatening. That probably did a lot of damage to my Labour Government. In an article in the previous issue, entitled "Afghanistan: What now?", I talked about my position on Afghanistan, saying that

"the bloody conflict in Afghanistan drags on"

and that it is now time to set a clear exit strategy. That is me speaking, not the Labour Government. In the issue before that there was the article, "Royal Mail: Save it—don't sell it"; that is not bland communication. I was arguing against the position of my own Government. I want to see Royal Mail stay in public ownership. That is not bland; it is letting people know my views. Another article was entitled, "Fat Cats slated". I had to pay money back to the Commons authorities for that.

There was one anonymous complaint. The Commons authorities could not tell me who had made the complaint, but it was about two paragraphs that I had written in one of my reports. I hope that you will allow me to read them both out, Mr. Cook, because they are, as we now know, absolutely factually correct. The first paragraph stated: "I told the Commons"—I was quoting from a Commons speech—

"the Conservative peer and donor, Lord Laidlaw, was ennobled in 2004 after promising to become a UK resident for tax purposes. He reneged on that promise and lives in tax exile in Monaco."

That is a fact, but I had to pay money back for saying what I did. In the next paragraph, I said:

"Another Conservative peer, Lord Ashcroft openly admits bankrolling local Conservative Associations yet refuses to say if he pays UK taxes. He is based in the Central American tax haven of Belize."

As a result of those two paragraphs, I had to reimburse the Commons authorities. *[Interruption.]* No, I will not go down that road; everyone knows about Lord Ashcroft.

Mr. Binley: Will the hon. Gentleman give way?

Mr. Prentice: I will not. I have a lot of ground to cover, and the Member can make his own speech.

My fifth parliamentary report talked about hard choices regarding DNA, and I made it clear that my position is probably more akin to the Liberal Democrat position than the Labour Government's position. When people read my parliamentary report, therefore, they say, "Whatever his faults, this guy Gordon Prentice isn't a cipher. He's not just telling us what Labour Whips are telling him to say." They get an idea of where I am coming from.

Those were my five parliamentary reports. Now, if you will allow me, Mr. Cook, I will whistle through some material from Andrew Stephenson, who will probably be the MP in a couple of months. I have a copy of his leaflet "Andrew Stephenson Reports Back", which has just come out. I also have the February and March edition of his "Pendle Matters", which the Royal Mail delivered to all 37,000 households in Pendle; it talks about the "Year of Change" and runs to four pages. Another edition, which was delivered free to 37,000 households, talks about "Putting Pendle on the Map" and has a picture of the Leader of the Opposition. That is all since Christmas.

The December 2009 edition of "Pendle Matters", which was delivered to 37,000 households, says, "Shop Local"—unfortunately, it was printed in Guildford. I also have the October 2009 and August 2009 editions of "Pendle Matters", which were delivered to every household in my constituency. The headline in one edition reads "Cameron spells out a Plan for Change". The headline in another, which was delivered to 37,000 households, talks about "Transport in the North". Another edition has the headline "Tackling the Credit Crunch" and runs to four pages.

Mr. Binley: On a point of order, Mr. Cook. May I ask a simple question? Are we allowed to use such props in the House?

Frank Cook (in the Chair): There is a convention on the Floor of the House that visual aids are not allowed. I cannot see what is on the leaflets that the hon. Member for Pendle (Mr. Prentice) is holding up, so they are hardly visual aids. However, I can count and I can see that there is a discrepancy in terms of acreage and number, and I await his conclusions on that. I must remind hon. Members that we have about 17 minutes before I call the Front Benchers.

Mr. Prentice: I do not want to test the patience of colleagues, so let me just say that I have too many leaflets to go through; there are three years' worth. It is not just "Pendle Matters" that is being delivered; there is loads of other stuff as well. There are six-page booklets, which look like *Hello!* magazine, the ads in the local papers and so on.

Let me come to my peroration. I think I have demonstrated conclusively that the next election is being bought. Election spending should be controlled; if it is not, it will be totally unfair, and rich people will be able to determine who sits in this House.

3.14 pm

Mr. Andrew Tyrie (Chichester) (Con): The right hon. Member for Streatham (Keith Hill), who obtained the debate, has made a huge contribution to this place. He is one of the outstanding Members of Parliament I have come across in my time here—somebody of unfailing humour, whether things are going well or badly for him. He has never rubbed my nose in it when my party is doing badly, and he has always had a big smile on his face, even when his party seems to be on its uppers.

Having said all that, I am a little surprised that the right hon. Gentleman should choose this of all subjects for his parliamentary swansong. As far as I could tell, he adduced six points in defence of the communications allowance. The first was democratic accountability. That is the sort of the phrase that is bandied around quite cheaply, but generally means very little. By listening to him, I did not really discover where exactly accountability would be increased as a consequence of the allowance.

The right hon. Gentleman then said that the allowance would act as a counterweight to Lord Ashcroft's "attempted purchase of parliamentary seats." I understand his point, and I will discuss it in a little more detail in a moment.

The right hon. Gentleman then said that it would rebuild trust. But I take the view that spending large sums of public money on self-promotion—I think that that is how people perceive it—is more likely than not to have the opposite effect, if it has any effect at all.

The right hon. Gentleman said that the allowance was important for seats with transient electorates, but that seems a rather curious point. Does it mean that the grant should be graded, so that Members in seats with the lowest churn have the lowest grant and those in seats with the highest churn have the highest grant? I found that idea extremely bizarre. The level playing field we need is not between seats, but within seats

[Mr. Andrew Tyrie]

between people campaigning. Presumably, a transient electorate is as difficult for the challengers to handle as it is for the sitting MP.

In a very revealing phrase, the right hon. Gentleman said that the allowance is at least—I hope that I have got this exactly right—"needed to remind people that they do at least have an MP in place". I should hope that any MP who is doing his job would find a way of enabling at least some of his constituents to discover that they have representation at Westminster, so I do not find that argument convincing either.

The right hon. Gentleman's final argument was that the allowance is a modest means of achieving balance, which goes back to the point that I made a moment ago. I hope that I have already answered that argument a little. It is the balance within the constituency, not between constituencies, that matters.

I think that the communications allowance is a scandalous waste of public money. it was right to abolish it. It is a form of incumbency grant. The hon. Member for Cannock Chase (Dr. Wright), the Chairman of the Public Administration Committee, has said as much in unequivocal terms, and I agree with him. Incidentally, the incumbency value is measurable; it is a statistical fact. It is between one and three percentage points.

Martin Linton (Battersea) (Lab): Will the hon. Gentleman give way?

Mr. Tyrie: I will not. If the hon. Gentleman will permit me. I will carry on, although that is purely for reasons of time.

The incumbency value is between one and three percentage points, but it falls away after the first re-election and scarcely shows up in the statistics after that. Interestingly, it has scarcely changed for 50 years—whatever we put in place, it seems to remain pretty much the same. Although people want the communications allowance to entrench incumbency, it does not seem to have that effect—nor, indeed, does the campaigning on the other side of the ledger.

The extra money spent in marginal seats in 2001 and 2005 for the Conservative party had the reverse effect to the one intended. In fact, the swing was two percentage points lower in 2001 in the seats where the most money was spent, which I find statistically significant. Furthermore, we later discovered from Labour literature that the Labour party had abandoned those seats, so there was not even a cancelling-out effect, which is normally the key reason why it is so difficult to identify the benefits to local campaigning.

My objection to the communications allowance is not that it may actually be effective—although it could become effective at a future date—but that it is state funding of political parties by the back door. If we want state funding—I am not against it in principle, as the hon. Member for Somerton and Frome (Mr. Heath) will attest—we should explain to the electorate what we are doing and vote it in, not supply it by the back door.

Incumbency, in any case, is already being bolstered by increases in parliamentary secretarial allowances, particularly where MPs have relocated a large number of their staff to their constituencies, where I strongly suspect a number of them are engaging in campaigning rather than constituency work. I very much hope that IPSA will investigate that and clamp down on any malpractice of that type in the months and years ahead.

The right hon. Member for Streatham argued that the communications allowance is needed to offset Conservative funding in marginal seats. He emphasised that point at some length, but by making it he let the cat out of the bag and revealed his desired purpose for the communications allowance. Now we know that, in his view, the communications allowance should be and is a campaigning fund—exactly what it is designed not to be—and not the constituency allowance that he and his party dressed it up as when they encouraged the House to allow it.

The right hon. Gentleman is, of course, upset that a rich donor is seeking to influence a British election by pouring money into target seats. I, too, am upset about that and about the funding being provided by a small number of big donors, including trade union bosses and corporations, as well as rich individuals. They should all go; they should all be got rid of. We need a donations cap, and I should like it to be set well below the level of £50,000 that I set out in a document, to obtain compromise. Those rich donors—the unions, corporations and rich individuals—should be wholly removed from the funding of political parties.

To his enormous credit, the Leader of the Opposition not only agrees with that view but has said so publicly on numerous occasions, and has published jointly with me a pamphlet setting out how it can be accomplished. I think he agrees that there is a stench in the nostrils of the electorate about the way parties are funded and he wants to do something about it.

However, the obstacle all along, I regret to say, has been the unions. The publication of the document triggered some very important talks, which took place over two years, chaired by Hayden Phillips, to get to grips with the issue. Tony Blair was involved in those talks, and he too supported the idea, as did the former head of his policy unit, Matt Taylor. Unfortunately, the Labour party did not support it. In particular, the present Secretary of State for Justice and Lord Chancellor, when he became more closely involved in the talks, obstructed any progress on the key issue, which was the inclusion of unions in the cap:

> "The problem was that the system could not be overhauled without some loosening of the ties between Labour and the trade unions which together contributed about £11 million a year"

to Labour coffers.

> "Unfortunately, that was unthinkable to large swathes"

of the Labour party. Those are not my conclusions, but the conclusions of Peter Watt, the then Labour general secretary, who like me participated in every one of the talks. He went on to say that the current Prime Minister had

> "nothing to gain from picking this fight"

with the unions.

> "He needed the support of the trade unions to become Prime Minister",

so we know why he engaged in so much obstructionism as well. Peter Watt continues that he

> "disliked the extent to which we had to dance to the unions' tune"

and that

"the trade union barons were never shy of articulating what they expected in return"

for their cash. He said:

"My primary emotion during the process was intense frustration, because my own party was the biggest block to reform".

The heart of the matter is that the communications allowance was introduced with party political purposes in mind, whatever its outward name and whatever the pretence of the way it was described. Labour was the incumbent party. Anything that went only to incumbents would inevitably be of benefit to it. It has been rumbled, first by the way that Parliament has begun to examine these issues, and now by the fact that in this debate the right hon. Member for Streatham has let the cat out of the bag about the real purposes of supporting the communications allowance. I am delighted by the findings of Sir Christopher Kelly on the issue. I am very pleased that my party supports the removal of the communications allowance, and I hope that it will be implemented immediately after the election by IPSA.

Several hon. Members *rose—*

Frank Cook (in the Chair): Order. I am happy to inform the House that the three main Front-Bench spokespeople have agreed to reduce their allotted time from 10 to seven minutes—not easy, but they are prepared to do it—to afford Back Benchers more time. So I appeal to everyone: I will try to get you all in, but make it brief, please, make it pointed and make it clear.

3.26 pm

Martin Salter (Reading, West) (Lab): It is a pleasure to follow the hon. Member for Chichester (Mr. Tyrie), who made an intelligent contribution to the debate. I think that my right hon. Friend the Member for Streatham (Keith Hill) and my hon. Friend the Member for Pendle (Mr. Prentice) make a fundamental mistake in equating the communications allowance to the tsunami of funds being hurled at their constituencies.

It is time I fessed up: hon. Members are looking at the father of the communications allowance. I pushed it in 2002 and 2003 and it first emerged, not through Puttnam, but through the "Connecting Parliament with the Public" report of the Modernisation Committee in 2003-04, and not as a balance to what was at that time an all-but bankrupt Conservative party. If we cast our minds back to the hammering that the Conservatives got in the polls in 2001, we see that they were not a well funded political party. My objective was to create a level playing field not against party political campaigning, because that is clearly outlawed in the rules that govern the communications allowance—I am surprised that my colleagues allowed themselves to be dragged down that road—but with others active in our constituencies, such as local councillors, whether Conservative, Labour, Lib Dem or independent. They can proactively communicate with their constituents and put out unsolicited letters seeking views on planning applications and all sorts of other issues. We cannot. How insane is that?

I leave this place with huge affection for the role that we undertake as Members of Parliament. The action in my constituency of which I am proudest is not when I went with the grain of public opinion, but when I went against it and campaigned for a new psychiatric hospital in the heart of my constituency and stood up for the mentally ill, who did not have a voice and were not a well funded middle-class residents group saying, "Oh, my God, we can't have these characters running around frightening the children." Things have settled down, and I am proud that I was able to do that. I could do it because I could communicate proactively. That is what the allowance is about. It is nothing to do with Ashcroft or the bankrupt Tory party, or a Tory party whose coffers are overflowing from tax exiles or others. Let me make that clear.

Martin Linton: Will my hon. Friend give way?

Martin Salter: No, I want to be very brief.

The communications allowance was brought in—no one has mentioned this—on the back of the cap on MPs' postage, which was implemented and introduced by the previous Speaker, because some Members of Parliament were taking the mickey with the House of Commons free post. I have always been a high user of it, but I think very much as the hon. Member for Castle Point (Bob Spink), who is not in his place, does—or the hon. Member for Spelthorne (Mr. Wilshire), among the Conservatives. He had a huge issue in his constituency—the closure of Ashford hospital, I think. How could he deal with receiving a petition of perhaps 15,000—I do not know how many people wrote to him—on the subject? Within the rules, because he was reacting to what people wrote to him about, he was able to reply to them and keep them informed and engaged in that campaign to keep Ashford hospital open. He was successful, but because of abuse by one or two Members, we were taking away the tools to do the job, so something had to be put in its place.

Before Opposition Members get too aerated about the issue, I point out that only one of them has not claimed the allowance. It was not fought tooth and nail by the Conservative party. I was there and I know. A lot of the points in favour of the introduction of the communications allowance were conceded by the Conservatives. In the debate in 2007, when Parliament eventually got around to introducing the communications allowance, the hon. Member for Hammersmith and Fulham (Mr. Hands) said in response to me:

"The hon. Gentleman is speaking of allowing MPs to engage in reactive communication with constituents, which I am in favour of."—[*Official Report*, 28 March 2007; Vol. 458, c. 1530.]

The problem is that the ability to engage in reactive communication with our constituents was hidebound by the cap on MPs' postage. We had to have something to put in its place.

Mr. Hands: Will the hon. Gentleman give way?

Martin Salter: No I will not.

I reject Sir Christopher Kelly's analysis. I wrote to the Members Estimate Committee to pull apart his arguments. In paragraph 8.6 of his report, he acknowledged that the communications allowance was introduced in part to compensate for the cap on postage, but he made no recommendation that the cap be lifted. He stated that

"some MPs of all three main parties make use of it."

What he did not mention was that only 43 MPs have not claimed the communications allowance.

[Martin Salter]

There is a degree of hypocrisy, is there not, in the Leader of the Opposition calling the allowance

"nothing less than old-fashioned, state-sanctioned propaganda"?

I have listened to the protestations of the hon. Member for Beverley and Holderness (Mr. Stuart), who tells us that it is corrupt. Well, he was quite happy to claim £4,679 of corrupt money. The hon. Member for Hammersmith and Fulham says that he had no choice but to claim it.

Mr. Hands *rose—*

Martin Salter: I will give way to the hon. Gentleman in two seconds. Perhaps he had to take that money to fund a website, but I would like to see the kind of website one can get for £5,351, which was what he claimed in 2007-08. Is he telling the House that he spent that money on a website and nothing else? I would like him to clarify.

Mr. Hands: I am happy to clarify. My point was that one has no choice about something like a website. In 2007, I made the point that it was not right because of the postage cap to introduce a communications allowance of up to £10,000 for every Member, which clearly gave encouragement to use that amount. That is different from the one-off occasion when one has a mass petition, which the hon. Gentleman was describing, because that will not be the case for all 646 Members.

Martin Salter: I thank the hon. Gentleman for that non-clarification, but I note that he did not clarify whether he spent all of the £5,000 on his website.

To conclude, it will be a sad day if at the end of this Parliament—a Parliament whose reputation has been traduced by a sloppy expenses system and sloppy behaviour on our part collectively—we single out the one allowance about which there was no controversy in *The Daily Telegraph* or on the stolen disc. The allowance probably worked—albeit perhaps imperfectly—far more effectively than our second home allowance, our employment of relations, and the ridiculous fripperies and luxuries that people decided the taxpayer should fork out for. It is a shame, when politics and the role of Members of Parliament are being traduced, that we do not have the simple tools to do what we are sent here to do, which is to speak up for the communities that represent us. Not giving us the tools to do that is ridiculous.

I end with a quote from a Conservative, Lord Norton of Louth, who gave evidence to the Modernisation Committee and whom the hon. Member for Beverley and Holderness described in the House as a great man. He said:

"If the constituency demand increases—which it has, decade by decade—if you cannot close off the demand, you have to manage the supply side...There is also a resource implication."

There is a resource implication. We will not serve our constituents as well as we could if we are not given the tools to do the job or the resources to fund proper, non-partisan communication.

Frank Cook (in the Chair): There are only five minutes remaining.

3.34 pm

Mr. Brian Binley (Northampton, South) (Con): I will make two quick and simple points, but first I congratulate the right hon. Member for Streatham (Keith Hill) on initiating the debate. I add my comments on his friendliness. I have always considered him a friendly chap and now consider him a friend. I therefore have some sympathy with what he says.

Frank Cook (in the Chair): Communications allowance.

Mr. Binley: Of course, I shall come straight to the communications allowance.

I agree with the remarks of the hon. Member for Pendle (Mr. Prentice) on spending prior to the election. To my mind, as an old-time agent, the figures that have been mentioned are quite obscene. They do have a distorting impact on elections. It was foolish to enact the law that allowed such sums to be spent, and I thought so at the time. The figures we see today confirm that my judgment then was correct.

All I can say is, why the hell did Labour bring that law in? I did not understand that for one minute. It was never going to benefit Labour, even if it was introduced from a political perspective. It was absolutely crazy. I agree with the hon. Gentleman, but want to introduce a bit of balance about where the law came from.

Receiving so many leaflets would put me off. In some respects, it does harm to put such nonsense through people's letterboxes week in, week out; month in, month out. I know that I am doing harm to our worthy candidate in that part of the world, but quite frankly I get totally pissed off with it. Sorry, Mr. Cook, I withdraw that remark.

Frank Cook (in the Chair): Thank you.

Mr. Binley: Finally, non-doms have been mentioned and they do have an impact on this matter. Between 2001 and 2008, the Labour party received more donations from non-doms than any other party. The amount was £8.9 million, compared with the £5.6 million that the Conservatives received. A little understanding of the balance in this matter has some import in the debate. That is all I wish to say to provide a little fairness. Thank you for calling me, Mr. Cook.

Frank Cook (in the Chair): There are two minutes remaining. I call Martin Linton.

3.37 pm

Martin Linton (Battersea) (Lab): It is important to distinguish two issues in the debate. The first is the tsunami of party propaganda that has flooded through people's letterboxes. That is relevant because it is the justification that Lord Ashcroft himself gave for opposing the communications allowance. A completely separate issue is the right of MPs to report back to their constituencies. I am much more exercised about the second point. We must warn the Independent Parliamentary Standards Authority to think the issue through before it takes action.

When we spend money through the communications allowance, we cannot mention the party, but can only describe what an MP has done. The opposition does not

come from my local Conservative candidate's leaflets, much as they flood through the letterbox. I am trying to counteract the effects of the council newspaper, which has a staff of six, including graphic designers and former journalists. It uses its 30 or 40 pages every two months to claim credit not only for what the council does, but for what the Government do. For example, the new lifts at Clapham Junction station were funded by £10 million from the Government and the council threw in £300,000 for pavement improvements. In other words, 97 per cent. of the funding came from the Government and 3 per cent. from Wandsworth council. Of course, the council newspaper gave huge publicity to the £300,000 it spent on the pavements and none to the Government.

In contrast to the 30 or 40-page bi-monthly council newspaper, I have a bi-monthly newsletter called "the Bugle", which stretches to two pages. It is important that MPs are able to draw their constituents' attention to what they are fighting for and what the Government are doing in their constituencies. Thanks to the communications allowance, I have been able to tell people things that they cannot learn about anywhere else, such as the five health centres that are planned in the constituency, the tube link to Clapham Junction and my opposition to 42-storey tower blocks at Clapham Junction. People regard that newsletter not as propaganda, but as an important source of information that they cannot get from any other place—*[Interruption.]* No, I will not give way. I have two minutes. I am sorry, but I am not going to give any of that time away.

It is very important to preserve the ability of MPs to report back what they are doing in the constituency. The argument about party propaganda is totally irrelevant. The position should not be characterised as party propaganda versus straight news in newspapers. The newsletters I put out are people's source of information about local issues. Newspapers, such as the *Evening Standard* and so on, have a relentlessly negative spin on politics. MPs' newsletters—mine has never been complained against—can perform a very valuable role.

Frank Cook (in the Chair): Six minutes, David Heath.

3.40 pm

Mr. David Heath (Somerton and Frome) (LD): I am glad the extra time the hon. Member for Battersea (Martin Linton) took came out of my allocation, Mr. Cook. I congratulate the right hon. Member for Streatham (Keith Hill) on securing the debate. I have to say that it has been extremely muddled, because, as the hon. Member for Reading, West (Martin Salter) said, two entirely different topics have been discussed.

One issue is party funding and the hugely adverse effect the lack of limits on party funding has on the election contests in marginal constituencies across the country. That was amply demonstrated by the hon. Member for Pendle (Mr. Prentice) and, it would appear, by the right hon. Member for Streatham, although that is the only constituency I have ever heard of where the Liberal Democrats are outspending the other parties. I am delighted to know that there is at least one constituency in which we have some assets. I draw hon. Members' attention to the comment on "The News Quiz" last week that the Conservatives are funded by multi-millionaire businessmen, the Labour party by the unions and the Liberal Democrats by a bring-and-buy sale in Truro. That is actually largely the case.

Having said that, what the right hon. Gentleman said when quoting my hon. Friend the Member for Cambridge (David Howarth)—he could easily have quoted me because I have spoken in many of the same debates—is clearly our position. We need caps on expenditure and caps on donations, and we need those to extend beyond the election period and the proximity of the election period. Those caps also need to cover central office funding because that is one of the great abuses of the system at the moment by all parties.

If the parties believe there is a marginal seat, they put in an enormous amount of generic election material that does not refer to the candidate and is completely beyond the radar of the current electoral system. If the right hon. Gentleman feels that way, he should have voted with us when we put down amendments that would have dealt with that matter. However, he did not and the Government refused to do so. The hon. Member for Chichester (Mr. Tyrie) mentioned the all-party talks, with which I was also involved. I have a slightly different recollection from him of the sequence of events but, nevertheless, it is sad that we were not able to reach a conclusion.

May I deal with what we are supposed to be talking about, which is the communications allowance? I agree with the hon. Member for Reading, West that one of the sad things about the debate is that two issues have been conflated and the communications allowance has been seen as the answer to the lack of limits on political party spending. It cannot be the answer to that problem, and if that is how the matter is being seen, it is absolutely wrong for the allowance to be abolished on that basis. A communications allowance that is designed to allow Members of Parliament to communicate with their constituents should not be used for party political purposes.

If the right hon. Member for Streatham has difficulty raising funds and putting out leaflets and newspapers in his constituency, that is a problem he has with his political base; it is not one that should be dealt with by the communications allowance. I voted against the communications allowance because I thought it was an unnecessary additional expenditure, but I am not against some of things that it provides for, which were already allowable under the other office costs allowances. Annual reports are a useful mechanism for communicating what an MP has done for constituents, provided they are not used for party political purposes.

Over the past few years, one of the problems has been that people do not understand what MPs do and why we are here. That is why the expenses scandal had so much potency. It is important that we advertise where we hold our surgeries. In my case—I have a very rural constituency of 900 square miles—I do an annual tour each year of more than 100 villages. I want people to know that I am going to be in their village and when they can meet me in the pub, outside the post box or wherever.

Mr. Graham Stuart: Will the hon. Gentleman give way on that point?

Mr. Heath: I have not got time—I have only six minutes.

It is also right that we should be able to write proactively, directly to constituents on matters that affect them and on how we are doing our job as Members of Parliament.

[Mr. Heath]

The hon. Member for Reading, West was right that there was abuse of the free post system, which is why it was taken away, but that does not mean that we do not need to do something, and we should have the capacity to act.

My party is foursquare behind the Kelly proposals and the IPSA proposals, as are the other parties' Front Benchers. Sadly, we are not in a position to argue for exemptions where we think we have got the matter wrong, but when the IPSA rules are finally formulated, I hope they provide sufficient latitude for Members of Parliament to do their job properly. If IPSA can pull that off and get it right, we will have the balance right. I do not believe that the communications allowance was widely abused; it was abused by some, but the pre-existing arrangement was also abused by some. When it comes down to it, again, it is a matter of having trust in Members of Parliament to do their job properly within the rules, which it seems some have still to learn. However, I hope that others have got the message and that more will continue to do so in the next Parliament.

3.46 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): May I start by giving my condolences to the family of Michael Foot? He was a distinguished Member of Parliament and I am sure that all our thoughts are with his family today.

I congratulate the right hon. Member for Streatham (Keith Hill) on securing the debate, which ostensibly is about the communications allowance, but, as we have heard, has ranged into various other areas. It is worth recapping why the communications allowance was introduced in the first place. The then Leader of the House, who is now Secretary of State for Justice and Lord Chancellor, said it was

"to assist with the important task of improving the engagement of the House with the public"

in part due to

"the extraordinary increase in constituency demands and expectations"—[*Official Report*, 1 November 2006; Vol. 451, c. 301.]

on MPs. However, the position was best summed up by my right hon. Friend the Member for Maidenhead (Mrs. May), the then shadow Leader of the House, when she said that the allowance

"will give an enormous taxpayer-funded advantage to sitting Members of Parliament".—[*Official Report*, 28 March 2007; Vol. 458, c. 1524.]

Put bluntly, the allowance was an opportunity for sitting MPs to boost their profile using public funds. If every Member used his or her communication allowance, the cost to the taxpayer of that incumbency benefit would be £6.5 million a year, or some £30 million during the lifetime of a Parliament.

However, it was not just the Conservatives who opposed the communications allowance. The hon. Member for Cannock Chase (Dr. Wright) said:

"It will be an exercise in shameless self-promotion. It will be used to tell people how wonderful we are, and that will be paid for by our constituents."—[*Official Report*, 28 March 2007; Vol. 458, c. 1522.]

The hon. Member for Sunderland, South (Mr. Mullin) said it would be "thinly disguised party propaganda" and "vanity publishing." As we have heard, Sir Christopher Kelly and Sir Ian Kennedy, the chairman of the Independent Parliamentary Standards Authority, have both said that they are against the communications allowance. I, for one, am happy about that.

Mr. Graham Stuart: Will my hon. Friend give way?

Mr. Vara: Very briefly, because I have a lot to get through.

Mr. Stuart: The point is that communication was not impossible before. There was a very modest amount that could come out of the then incidental expenses provision to allow people to communicate with their electorate. No one would object to some communication, but it needs to be modest—although thinly disguised self-congratulatory communication will perhaps happen at times. The problem is that the £10,000 was brought in as an additional bung by incumbent Labour MPs who did not like having some competition.

Mr. Vara: I am grateful to my hon. Friend for that. In fact, his intervention leads me on to my next point. The right hon. Member for Streatham spoke of some £283,000 being used by his Lib Dem opponent in the past three years, but from the Electoral Commission reports, I see that only £51,594 has been registered in the past four years. The extraordinary thing is that, in the past year, the Lib Dem candidate's contribution has been £11,500, whereas the right hon. Gentleman's constituency Labour party has received £13,000 from trade unions. If we add to that another £10,000, it sounds like the incumbent has an even greater advantage than that received from his own contributions, as revealed by the Electoral Commission. I am sorry to see the right hon. Member for Streatham, for whom I have considerable respect—we have neighbouring offices—go down the route of suggesting that there ought to be public funding for party politics. That is not what I would have expected from him in his swan-song, but he might have been persuaded to do that by colleagues who hope to stick around after the general election.

Given that Lord Ashcroft has been mentioned many times in the debate, I shall put his position on the record. Since my right hon. Friend the Member for Witney (Mr. Cameron) became leader of the Conservative party, Lord Ashcroft has personally given no money to the party. Rather, his company, Bearwood Corporate Services, has donated. The company is properly registered and trades in the UK. Last year, only 1 per cent. of the money received by the party came from Bearwood, which is less than Sir Ronald Cohen, a non-dom, alone gave the Labour party. Moreover, since my right hon. Friend became leader of the Conservative party, 5 per cent. of the total receipts are from Bearwood, and contributions to marginal seats from Bearwood amount to 10 per cent. of the total money received by those seats. For those Labour and Lib Dem Members who are arithmetically challenged, that means that 95 per cent. of party funding and 90 per cent. of marginal seat funding has come from sources other than Bearwood since 2005. Perhaps Members present should take account of what Michael Crick wrote on his blog on 24 February on the fact that Bearwood gave only £80,000 in the last quarter:

"Such is the bounty from other donations, they hardly need Ashcroft's money anymore."

It is important to put the record straight on trade union contributions to Labour seats. For example, the hon. Member for Gloucester (Mr. Dhanda) received £47,500 from trade unions in five years, and the hon. Member for Dagenham (Jon Cruddas) received £36,320 from May 2005 to March 2009. In just two donations in one month in 2006 the Labour party in Hammersmith received £25,000. It would perhaps be helpful if the Deputy Leader of the House, when she responds, talked about Lord Paul's contributions and then his elevation to the Privy Council, or Lakshmi Mittal's £4 million donation to the Labour party. And of course we must not forget the helpful letter Tony Blair sent his counterpart in Romania, Adrian Nastase, supporting a business that was not registered in the UK. There are other examples. Sir Ronald Cohen gave more than £2.5 million and, incidentally, received his knighthood in 2000. Sir Christopher Ondaatje donated £1.7 million and was knighted in 2003.

Let us not forget the Lib Dems, who received donations from Michael Brown, a convicted criminal. Perhaps they conveniently overlook the fact that a US attorney is still asking for the donations to be repaid. It would be helpful if they did so.

I hope that I have put the balance right. Non-dom donors are contributing a hell of a lot more to the Labour party than they are to the Conservative party.

3.53 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): It is a pleasure to serve under your chairmanship, Mr. Cook, and I join in the tributes paid to Michael Foot. I congratulate my right hon. Friend the Member for Streatham (Keith Hill) on securing the debate. As he said, he is retiring at the next election after 18 years of service. He served most effectively in several ministerial roles and his retirement will be a loss to the House.

Communications, which I think is what we are supposed to be talking about, is at the heart of our work in our constituencies. To represent our constituents effectively, we need to communicate with them on the work we do, as many Members have said today, and on local issues. I know from my experience that communications expenditure can be a useful tool, and several examples have been given in the debate. Last year I had to inform a large number of households in my constituency about work that would be going ahead on the M60 motorway. As with the other cases referred to by Members, if I had not told my constituents about that work, they would not have known.

We have heard some interesting contributions. One could be forgiven for being confused. Although the average communications allowance expenditure is about £8,400 across the House, seven Opposition Members who have intervened in the debate used the communications allowance for 2008-09 to the level of £95,000 between them, and two of those Members spent more than £20,000 and are among only 11 Members who spent as much. It is interesting that they argue against something that they used to a level of more than £20,000.

Mr. Tyrie: Will the Minister give way?

Barbara Keeley: No, there is not time. Proactive communication, such as the letter I sent to my constituents, is not currently supported, which is a pity. My right hon. Friend the Member for Streatham gave a short history of the allowance. As he said, it was introduced after a period of increased interest in Parliament's engagement with the public. It came in with that new cap of £7,000 on pre-paid Commons stationery, which had previously been unlimited. In many cases that effectively meant an overall reduction in expenditure, which is important to note. It was a move to proactive communications.

Many items that have been discussed in the debate were previously allowed under office costs, such as websites, and printing and distributing of reports, newsletters and so on, but not petitions, questionnaires or mailings that can be targeted at certain areas in a constituency. They were included in the scope of the communications allowance for the first time, so it was a positive development. To be clear, the decision to suspend communications expenditure was taken to ensure consistency with the new regime for the regulation of parliamentary candidates' election expenses, which was brought in by the Political Parties and Elections Act 2009. Those restrictions were agreed by the Members Estimate Committee on 23 November. It is important to note that the restriction of expenditure under the communications allowance was judged at that point to be a necessary and short-term measure to avoid any perception of electoral advantage stemming from the use of a publicly-funded allowance.

Let us now look at the future decisions on communications expenditure that could be made. In its report, the Committee on Standards in Public Life was critical of what it saw as the self-promotion contained in some of the materials produced using the communications allowance, a point to which Members have already referred. My right hon. Friend the Member for Streatham commented that it is difficult to see how that could be entirely omitted from materials designed to report on activities of Members. Indeed, local authorities do much the same by producing the newsletters and communications we have heard about.

As right hon. and hon. Members have discussed, the Independent Parliamentary Standards Authority, in its initial consultation document, took a more restrictive view than the Committee on Standards in Public Life, chaired by Sir Christopher Kelly. In fact, IPSA has proposed that communications expenditure should be allowed only for advertising meetings and surgery times and for contact cards. It is important to note that the Committee on Standards in Public Life recommended that the allowances scheme should continue to support proactive communications funded from overall office costs, rather than from a separate allowance. That is a key point, as Members have referred to a decision to close that down, which has not yet been taken.

The Government accepted the Committee's recommendations but expressed a consistent view in their evidence to IPSA. That evidence stated that the new allowance system should provide Members with adequate resources to carry out their work effectively on behalf of their constituents and that allowances should recognise and underpin the vital link between an MP and his or her constituency.

My right hon. Friend the Member for Streatham made some interesting points on the need to safeguard against the advantage of a wealthy parliamentary candidate over candidates of average means. It has been argued

[Barbara Keeley]

that communications expenditure could give that advantage to incumbents, but I think that it has been useful for the House to hear that advantage can lie elsewhere. My hon. Friend the Member for Pendle (Mr. Prentice) also raised the possibility of a more effective limit on pre-election expenditure, and I trust that Justice Ministers will consider that.

Final decisions on a new allowances scheme are now being made by IPSA. A powerful case has been made in the debate to consider the resources needed by Members to communicate effectively with their constituents, and my hon. Friend the Member for Battersea (Martin Linton) underlined that important point. I trust that board members of IPSA will note the views expressed today, and I will ensure that a copy of the *Hansard* report of the debate is drawn to their attention.

Private Tenants and Leaseholders (London)

4 pm

Jeremy Corbyn (Islington, North) (Lab): I am pleased that you are chairing this debate, Mr. Cook. In a sense, it is a continuation of yesterday's debate on housing in London, which was about the terrible shortages of housing, particularly of affordable rented accommodation. *[Interruption.]* I think I am losing the attention of some of the Members in the Chamber.

Frank Cook (in the Chair): Order. Will Members please leave the Chamber quietly?

Jeremy Corbyn: Thank you, Mr. Cook. I shall start again.

I am pleased that we are having this debate today. In many ways, it is a continuation of yesterday's debate, which was about housing shortages in London, and the overwhelming need for rapid construction of a large number of affordable rented council places.

My constituency has, roughly speaking, about 40 per cent. of its residents living in council-owned or housing association accommodation, a fast-declining level of owner occupation—probably about 30 per cent. and falling—and the remainder of its residents in private rented accommodation, which is the fastest growing sector and one that causes many tenants and me a great deal of concern. I shall come on to that in a moment.

We have to open the debate by recognising the need for everyone to have a decent home to live in, in security, where they can bring up their children in reasonable space and be part of community life. Because of the large growth in the private rented sector, there is huge population turnover, certainly in my constituency, which is in inner London. Indeed, I suspect that many colleagues in other inner-London constituencies and inner-city constituencies all over the country experience this problem. It is disruptive for families, particularly children, who have to move schools as a result of it.

In short, we have three forms of private sector tenancy in this country. The biggest by a long way is the assured shorthold tenancy, which provides limited security under the Housing Act 1988. The assured tenancy provides greater protection than assured shorthold tenancies, but there are many fewer of them. The last kind of tenancy, of which there is a very small number, is the regulated tenancy, which is a derivative of the Rent Act 1977. The then Labour Government were resolute in controlling tenancies, providing security of tenure and controlling rent levels. It is that issue that I want to deal with first.

Rents in the private sector are absolutely enormous. Typically, to rent a flat of any reasonable size in my constituency would cost £250 to £300 per week, and upwards of £400. I have seen some flats at £500 per week. I constantly feel a sense of anger when I am in my advice bureau on Thursdays and Fridays and people come in to see me who are living in privately rented former council properties. I know that the council rent for an exact equivalent of the property would be around £100 per week, but they are paying £300 or £400 per week, the majority of which is paid by housing benefit. Somebody who had the good fortune to buy a council

property under right to buy at some point in the past is making £300 per week more than they would have had to pay in rent if they were in council accommodation. That has an impact, which I will come to in a moment.

A serious problem that I pick up on all the time is that of repairs done, or not done, by private landlords. I am not saying that all private landlords are bad landlords, or that they are unreasonable or difficult people. They are not; some of them are extremely decent and generous people who manage their properties properly. However, I come across a large number of cases of people in private rented accommodation—they have been referred by the council or have got it themselves—who find it difficult to get any repairs done. They know full well the danger that if they complain too strongly, their tenancy will come to an end. The issue is one of security of tenure, as well as decent levels of repair and complaints not being satisfactorily dealt with. Most tenants feel a sense of disempowerment in challenging a private landlord on what are often basic repairs.

There is a cost to all of that in housing benefit and local housing allowance. In my constituency and, I suspect, that of my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter), who has just joined us, and those of many other inner-London MPs, the local authority is not able to put many people from the waiting list into existing council accommodation, so, through the rent deposit scheme, it puts them in private rented accommodation. Others simply go into private rented accommodation because they cannot even get on the council waiting list and certainly have no chance of buying anywhere of their own. Therefore, they claim housing benefit.

The housing benefit costs to all of us of high private sector rents are absolutely enormous. I have tabled some parliamentary questions on the subject. Generally, if a person on jobseeker's allowance or income support is in council or housing association rented accommodation and is entitled to housing benefit, they get 100 per cent. of the benefit because they are in socially rented accommodation. If they are in private rented accommodation, they get a proportion of it. I fully understand the desire of the Department for Work and Pensions to drive down housing benefit costs, but the reality is that we then end up expecting people on housing benefit to pay on top of what they receive in housing benefit in order to maintain a roof over their head.

I come across constituents who are paying £30 or £40 a week out of benefits on rent, in addition to what they receive as housing benefit. We all know what the levels of income support and jobseeker's allowance are—those people are left with hardly anything on which to survive. We have to recognise that there are enormous costs here.

Those who administer the housing benefit system will say that people are required to pay the equivalent of a local market rent—no more and no less. I can understand where that philosophy comes from, and the calculations that they make on many occasions, but the reality in large parts of inner London is that the payment of housing benefit fixes the market rent and feeds into the voracious appetite of the market continually to increase rents. I am not saying that there is a simple solution to this, but it is very expensive for the public purse, and it does not much help the people whom it is designed to help. We need a radical reform of housing benefit, and the Minister will probably agree with that. I am not sure whether he has the solution today. If he has, I will stop now.

The benefit trap is also a serious problem. If a person on jobseeker's allowance is encouraged to find a job, as they are by the jobcentre, and they get a job, that is good. However, at present, they will lose housing benefit fairly quickly, and, as a result of that, they will be much worse off in work than they would be on benefit. If they have to pay, say, £300 a week in rent, they must get a job that pays at least the equivalent of jobseeker's allowance plus £300 a week just to break even with their situation while they were out of work.

The Government have recognised that, have increased the amount of time for which housing benefit is paid, and have increased the in-work benefit, but that does not solve the longer-term problem of those on low pay, or those moving back into the labour market. Typically, women who are single parents move back into the labour market in their late 20s or early 30s. They are unlikely to get jobs on £25,000 or £30,000 a year in order to meet their enormous housing costs. We must see what we can do to improve that situation.

A great deal of evidence supports the fact that there are problems. The Government's response to the private rented sector housing review, published in May 2009, stated:

> "Moving forward in partnership with landlords, tenants and local government representatives, we should continue to monitor and review the regulatory and incentive framework to ensure it is fit to deliver the consistent high standards and professionalism."

I welcome what has been done in that respect. I also welcome the attitude that the Government are now developing towards security of tenure in the private sector and reforms of the housing benefit system. I hope that the Minister is able to give me some relatively good news in that respect.

I should like to mention the situation faced by leaseholders. Large numbers of people bought their council property under right to buy, which was introduced in the early 1980s. With the right to buy a street property—a house—goes the freehold. That is a transfer from the public sector to an individual—the considerations of leaseholders clearly do not apply. However, those who buy flats always get a lease, with which goes a number of things, particularly service charges and capital costs, which apply to the large number of people who have purchased leasehold flats. The issues facing local authority leaseholders—I will mention housing association leaseholders in a moment—are similar, but not identical.

Some local authority leaseholders bought into council ownership in the 1980s without any real consideration of the longer-term implications of doing so, what capital works were required on the property or what the service charges could be. Many fly-by-night solicitors gave inadequate advice at that time, simply saying, "Buy your flat. You'll be okay."

When capital works come along—I support and welcome the decent homes standard and all the intentions behind it—they can be catastrophic for poorer older people who bought into council accommodation many years ago. I came across the case recently of an elderly woman, a retired nurse, who bought her council flat in the early 1980s and was now faced with a massive major works

[Jeremy Corbyn]

bill that she could not afford to meet. She could not get a mortgage because of her age and seemed unable to do anything about that other than to move out, share a small flat with her brother some distance away, and rent out her former council flat to pay the cost of the capital works—to do up the flat that she could not afford to live in. She has got herself into a crazy bind. I know that was not the intention behind those measures, but there are serious issues to consider.

The high costs of capital works and the often limited transparency in respect of those, in the perception of leaseholders in council accommodation, also need to be considered seriously. I am sure that colleagues from London—we have been joined by the hon. Member for North Southwark and Bermondsey (Simon Hughes)—would bear out the great concerns of many living in council leasehold accommodation about the costs involved and their difficulties in meeting such bills. One asks for flexibility on the part of the councils and for a sense of fairness in the allocation of funds. Many hon. Members have become experts in the costs of scaffolding, surveying and carpentry, and every other cost that results from such works.

I shall now mention the important matter of leaseholders put in places by housing associations and people who have bought leases or part-ownership from housing associations. The idea behind that strategy was that those who did not own any property would be able to buy a share of a property and possibly staircase up their proportion of the ownership and pay rent on the remainder. In addition, they would have to pay a service charge, as all leaseholders do, and pay either into a sinking fund or pay their share of capital costs when major works came about.

To prepare for this debate, I spent an hour or so last Sunday morning talking to a group of leaseholders in a housing association development, which happened to be a Family Mosaic development, but the issues probably apply equally to all housing associations. Those leaseholders were concerned that, prior to 2002, building and repairs contracts were let by individual tender on a process that had been going on for a long time under a value-for-money regime, which seemed fair enough. Under that arrangement, leaseholders living in property owned by councils or registered social landlords were protected by process under section 20 of the Commonhold and Leasehold Reform Act 2002, in that they had to be consulted on any work that they would be asked to pay for—usually more than £250 per property—so there was a quite open process of consultation and agreement on what the costs would be. In 2002, that culture was changed and the registered social landlords—the housing associations—signed huge contracts with building firms to undertake long-term maintenance on many hundreds, if not thousands, of properties over several boroughs.

As a result, the local control went away. One suspected that the partnership arrangements with the housing associations provided nice work for the building companies because they knew they were getting paid, but more than occasionally there were serious questions about the levels of so-called savings made under those economies of scale. In reality, a lot of people were paying large sums for work that they were not clear about. Electors in my constituency have shown me cyclical maintenance bills that have risen astronomically between 1999—before this system—and the current regime coming into effect. With that process goes a lot of tendering and sub-tendering of repairs.

I would be grateful if the Minister told hon. Members in this Chamber what kind of investigative and regulatory regime is placed on the housing associations in letting major repairs and maintenance contracts and—this is serious—what level of real involvement of leaseholders there is in most housing associations in any kind of meaningful consultation. I detect that the bigger the housing associations get, and the bigger the contracts get, the more remote becomes either the operative in the housing association—the official—or the tenant. I should be grateful if the Minister gave us some news about the powers and operation of the Tenant Services Authority.

To combat this scandal I would be grateful if the Minister considered the reintroduction of proper consultation on all cyclical maintenance contracts with tenants and leaseholders, or with appropriate residents' groups, so that there is some degree of transparency and openness in the whole process.

I am proud and happy to live in a vibrant, exciting area in which many people are making huge community contributions. But unless we can deal with housing, give people security of tenure and lower the overall housing costs for large numbers of people, the pressure that the market is applying will gradually become an unstoppable force, driving away the poorest and most needy people from inner London and other equivalent inner-city areas of this country. I am grateful for this opportunity to bring these matters to the attention of the House. I look forward to the Minister's reply.

4.19 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing the debate. He is right: it seems as though it is the second half of the debate that was curtailed yesterday and that we are here to conclude that discussion.

I congratulate my hon. Friend on his commitment to improving the quality and quantity of housing, particularly affordable housing, for his constituents. He has campaigned for that ever since becoming a Member of Parliament. He has raised a series of issues, and I shall try to deal with each in turn, starting by picking up on some of his points about local authority leaseholders.

Like all home owners, local authority leaseholders have a responsibility to maintain their homes, and that includes contributing towards the cost of major repairs and refurbishments by their landlords to the buildings containing their flats and communal areas. We know that more than 10,000 council leaseholders, particularly in London, have received bills of £10,000 or more for major works and that some bills are much higher that. My hon. Friend is absolutely right about the problems and distress that that may cause for leaseholders.

We have put in place measures to protect leaseholders and to give landlords discretion to help, including directions dating from 1997 that require local authorities to cap charges for major works at £10,000 when works are funded from some specified Government grant programmes, or when specified criteria are met—for example, when the leaseholder would suffer exceptional hardship in

paying the bill. Local authorities must consider each and every application against the criteria set out in the discretionary directions.

Local authorities must provide loans on specified terms to help leaseholders to pay service charges when requested in specified circumstances, and may offer loans on terms of their choosing in other circumstances. Local authorities may also buy properties back from leaseholders, and the Government part-fund that, paying 35 per cent. of the cost when it exceeds £50,000 in any year by allowing them to retain more capital receipts. Local authorities may spread payment of bills for major works over several years, and offer interest-free periods. They may also defer payment until the property is sold, charging interest in the meantime.

We have empowered local authorities to offer equity loans, and to purchase equity shares in homes on terms agreed with the leaseholder. We have ensured that leaseholders have statutory rights, including the right to challenge the need for major works and the cost of such works when they are believed to be unreasonable. They may do that by applying to a leasehold valuation tribunal. Leaseholders also have the right to be consulted and to comment on major works proposed through a statutory consultation process.

We know that some leaseholders are still concerned about large bills and believe that they have only a limited say in the scale and timing of the works. Some find the LVT process intimidating, even though LVTs may find in their favour. Some consider it unfair that the Government cap some bills at £10,000 but not others, and that councils will not use all their powers to reduce the burden. There have been calls for the Government to cap all large bills for major works at no more than £10,000.

Evidence suggests that, for many leaseholders, those options work, but clearly a significant number still face problems. I have mentioned my hon. Friend's committed work, but I pay tribute also to my hon. Friends the Members for Islington, South and Finsbury (Emily Thornberry) and for Regent's Park and Kensington, North (Ms Buck), who have campaigned tirelessly to highlight the position of elderly leaseholders on low incomes and of working couples and families who already have mortgage commitments in particular.

In the Government's statement to Parliament in March 2007, we made it clear that we wanted to address the problems, and we followed that up with a number of measures. We encouraged local authorities to inform and advise all leaseholders facing particularly high bills for major works about the full range of payment options available and to share best practice to ensure that that happens everywhere. We arranged with the Greater London authority for boroughs to be invited to bid for private sector renewal funding from the regional housing pot for 2009 to 11 to assist leaseholders who cannot pay by any other means.

We increased funding for the Leasehold Advisory Service—LEASE—so that it could develop its advisory, alternative dispute resolution and mediation services, for which demand continues to increase. As a result, LEASE is on target to deal with approximately 38,000 leasehold inquiries by the end of the financial year—an increase of almost one third on the previous year. We have said that work will continue with lenders and independent financial advisers, landlords and leaseholder representatives to develop the use of existing equity release and equity loan schemes. As promised, we legislated in the Housing and Regeneration Act 2008 to enable local authorities to offer equity loans to leaseholders and to buy back shares in properties.

We have also commissioned an external review of how social landlords are dealing with leaseholders' problems with bills for major works. That report is being finalised and we intend to build on its findings to develop a way forward that is fair to leaseholders, landlords, tenants and taxpayers. We are committed to finding ways to help those leaseholders who are genuinely unable to find a way to pay.

I listened with great interest to what my hon. Friend the Member for Islington, North said about the problems facing housing association leaseholders. I am aware that service charges, including charges relating to management, may be a cause of concern to those who have purchased their property in some developments through the shared ownership route.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I am pleased that my hon. Friend the Member for Islington, North (Jeremy Corbyn) has secured this debate. I agree with him that it is related to yesterday's debate on affordability. Today, we are discussing the other end of affordability. Will the Minister consider seriously the problems facing council leaseholders who, because of the poor state of repair of their properties, and housing association leaseholders who, because of the entry costs and service charges, are finding that their properties are not affordable; and whether we should consider the definition of affordability for people who live in leasehold accommodation that is allegedly low cost? Tricks are often played on them, and they are told that something is affordable when it is not.

Mr. Austin: That is an important point, which I will come to.

Purchasers living in flats are required under the terms of their lease to contribute towards costs through service charges, although providers may set up and manage a sinking fund to cover the cost of major works when the lease allows. When leaseholders contribute to a sinking fund, it may help to lessen the impact by spreading the cost over a longer period and minimising demands for service charges when the works become necessary. The Tenant Services Authority requires registered social landlords offering shared ownership schemes to explain the features of the scheme, so that applicants may make informed choices on whether the scheme is right for them. Applicants will have the level of service charge, rent, mortgage and other outgoings taken into consideration to determine whether the applicant is able to afford the purchase, as well as their ability to sustain home ownership in the long term. The TSA also expects RSLs to levy service charges that reflect the actual cost of services provided, and any increases should reflect the rise in actual costs. The Homes and Communities Agency expects grant-funded shared ownership schemes to be affordable to the intended client group.

Shared owners contributing towards the costs of repairs and maintenance through their services charges may challenge them through the leasehold valuation tribunal when they believe the charges to be unreasonable, and they may receive free advice about that and other rights

[Mr. Ian Austin]

available to them from the Leasehold Advisory Service. I am aware that service charges, including charges relating to management, are a matter of concern to those who have purchased their property. Free legal advice is available on the various remedies available to shared ownership and other leaseholders when faced with a service charge demand that they believe to be unreasonable.

In December, the Government issued a consultation paper setting out how we will reform housing benefit to deliver a simpler and fairer system of housing support that pays a fair rate of benefit to customers while protecting taxpayers. It also sets out our long-term aspiration to move towards a housing tax credit that is properly integrated into the wider tax and benefit regimes. As my hon. Friend the Member for Islington, North knows, housing tax credit is not something that we can implement overnight. Such changes will take time to achieve if they are to be affordable and achievable. We will ensure that the changes go hand in hand with wider housing policies to build more social and affordable housing in mixed communities.

The consultation sets out our next steps for reforming housing benefit and includes those measures that we want to implement quickly, as well as those that we will deliver as part of our longer-term reform of the benefits system. As part of the consultation, we sought views on how to set fairer and clear benefit rates. The local housing allowance is set at the median level of rents in an area and is intended to ensure that approximately half the properties available to rent in any area are affordable to people receiving housing benefit. That balances the needs of customers, enabling them to afford decent, quality accommodation, with the needs of taxpayers not to subsidise unreasonably high rents.

We must consider again how we set local housing allowance rates, and examine the effect of areas with pockets of high rents in driving up the median. We also want to consider how to define geographical areas for local housing allowance rates. We recognise that rents vary significantly throughout the country, but in London they are typically much higher than in other areas. High rents mean that, after housing costs have been taken into account, people are more likely to live in a low-income household in central London than in any other area of the country. There also tends to be wider variation—

Frank Cook (in the Chair): Order. That terminates the time allocated for the debate.

Land Registry Office (Peterborough)

4.30 pm

Mr. Stewart Jackson (Peterborough) (Con): I am grateful for the opportunity to highlight a vital issue affecting my constituency, which is the loss of more than 300 high-quality, white-collar jobs at the Peterborough Land Registry, mooted for September 2011 under the Government's accelerated transformation programme. Nationally, there are plans for 1,500 redundancies, and hon. Members may wish to intervene to highlight specific issues in their constituencies.

I raised the issue during the Christmas recess Adjournment debate, and the Deputy Leader of the House was as good as her word and passed on my concerns to the Minister. He wrote me a helpful letter dated 14 January this year, in which he confirmed:

"Firm decisions will not be taken until February."

We look forward to the publication of the response from Her Majesty's Land Registry in due course.

I have serious misgivings about the proposals by the Ministry of Justice and the chief executive of the Land Registry, the chief land registrar, to close five Land Registry offices in the so-called greater south-east. To add insult to injury, if my constituents are made compulsorily redundant, the timetable may preclude them from receiving severance payments that are as advantageous as those of people doing equal jobs in three other Land Registry offices—namely Stevenage, Croydon and Portsmouth. We await further details of discussions with the Cabinet Office on that specific issue.

In November last year, I had the opportunity to speak to the chief land registrar, Peter Collis, to express my dismay and disappointment at the proposals. I also had a round-table meeting with a couple of dozen members of Land Registry staff at the Touthill close office in Peterborough city centre, on 25 November. I pay tribute to all those who work at the Land Registry for their professionalism, stoicism and quiet determination, and the reasonable approach that they have taken in this worrying period of their working lives.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I congratulate my hon. Friend on securing the debate. I have an interest in the matter as I have an adjoining constituency to his in which some of those who face unemployment reside. Does he agree that those people are extremely talented individuals and well experienced in the field in which they work? It will be a loss to the Land Registry if they are not properly looked after, but are simply discarded. Their skills are invaluable in assessing the job that they do.

Mr. Jackson: It is perverse that the Land Registry proposes to dispense with the services of people with knowledge, skills and experience gained over a number of years when it recruits new people who do not have that level of skill and expertise.

There is significant concern about the evidential basis used by the Land Registry in making the business case published by Ministers on 22 October 2009. The former chief land registrar, John Manthorpe, has prepared a detailed document responding to the accelerated transformation programme, putting a different slant on

the information provided by the Land Registry. Mr. Manthorpe, who we should remember was a distinguished chief land registrar from 1985 to 1996, has described the plans for closure as, inter alia,

"quite disproportionate and unnecessarily expensive",

based as they are on the historically low level of property and mortgage market activity.

I will focus my remarks on the implications for the Land Registry office in Peterborough, but I feel sure that other hon. Members, perhaps including my hon. Friend the Member for Tunbridge Wells (Greg Clark), will argue the case for their own Land Registry offices. Many people have provided detailed responses to the consultation.

Mr. Andrew Pelling (Croydon, Central) (Ind): I rise to make a brief intervention and to congratulate the hon. Gentleman on securing this important debate, which has implications for us all in terms of Land Registry closures in the south-east. I would like to underline his point about the prospective expense as it applies to Croydon. Would it not be ironic for the Land Registry to find itself making a huge financial loss when selling the building in Croydon that it invested in recently—Trafalgar House—as it will lose about £15 million? That would seem to be a poor performance by an organisation that is supposed to be an expert on property.

Mr. Jackson: The hon. Gentleman, my erstwhile hon. Friend, makes an extremely astute point. I have yet to be convinced that the Land Registry has fully thought through the financial ramifications of the disposal of the various offices across its estate, and the cost to the taxpayer.

Greg Clark (Tunbridge Wells) (Con): I congratulate my hon. Friend on securing this important debate. Does he share my view that across all public services we need to find a way to provide those services most cost-effectively? The issue is whether decisions that might be made this year could prove more expensive to undo in future years should demand increase. That is the essence of the matter—is the economic case that is being prepared robust enough or, if it is wrong, could it lead to further public expense?

Mr. Jackson: My hon. Friend is absolutely right and makes an astute point. In my opinion, it is appropriate to look again at the Lyons review, which is now somewhat historical, and at how it impacts on the financial and resource allocation decisions of the Government in their dying days.

I want to focus on the issues of staffing premises, the implications of a misapplication of the Lyons review and the economic impact on the city of Peterborough. The proposals pay little heed to the long-term experience of the staff at Peterborough, who are to be forced to accept compulsory redundancy at considerable cost to the public purse. Under Mr. Manthorpe's alternative plan, all 19 current offices would remain open, with a continuation of the natural wastage programme through retirements, resignations and transfers to other Government offices and Departments in my constituency—for example, Jobcentre Plus, the Environment Agency and Natural England—as well as the continuance of the highly successful voluntary severance scheme, and the sale and lease of surplus office capacity across the Land Registry estate nationally.

The Land Registry business case advocates the recruitment of 594 new, inexperienced staff across the 12 retained offices post-2011, and the removal of 1,500 experienced, dedicated and skilled staff through compulsory redundancy, and a cost to the Exchequer, as alluded to by my hon. Friend the Member for Tunbridge Wells, of £186 million. Those plans do not stand up to scrutiny and are wrong-headed, short-sighted and flawed for reasons that I will elucidate.

On premises, there is an acceptance that the building occupied by the Peterborough Land Registry is too big and expensive for the staff complement occupying it, and the Government must, of course, address issues of cost and surplus estate. However, there is the capacity to let the excess space to the Department for Environment, Food and Rural Affairs, for example. The lease expires in 2013 and will need to be paid whether or not the building is occupied post-2011. Early surrender of the lease would be at a premium.

It is understood that DEFRA is interested in taking a sub-lease of at least one of the vacant floors in Peterborough, and that negotiations have progressed to the extent that occupation is expected to take place this month. The projected rental income for a single floor of the office is about £162,500 per annum; and the cost for occupying a floor, including rates and other fixed costs, is around £315,300 per annum. That proposed rental income represents approximately 20 per cent. of the rent paid for the Peterborough office, or a 20 per cent. saving on annual office costs. However, if the decision to close Peterborough office is confirmed, DEFRA may reconsider its position and the benefit of that income will be lost.

Valuation Office Agency data show that in rental terms Peterborough is significantly less expensive than many other localities. Headline rental values for the type 1 accommodation in the Peterborough office are £125 per square metre, compared with £145 in Leicester, £150 in Nottingham, £240 in Croydon and more than £1,000 in central London. There is no reason why the Peterborough office could not move to alternative, smaller rental premises in the city on expiry of the lease in 2013. For instance, Trinity Court, just half a mile from the current building, is being let at the moment for less than £100 per square metre.

Peterborough city council and the East of England regional assembly published a study in August 2004 that maintained that Peterborough was an ideal location for civil servants relocating out of London and the south-east under the auspices of the Lyons review, not least because the city has excellent rail and road links north to south and across the country to the midlands and the north-west of England.

The case for maintaining an office in Peterborough is that it would be considerably cheaper than maintaining one in London, and the office in the Peterborough constituency already has the necessary IT, telephone and furniture requirements. In the view of the property consultancy King Sturge in its report for Sir Michael Lyons, and according to the Lyons review and the Office of Government Commerce guidelines, it makes sense for the head-office functions to be located in the existing Peterborough office. That would reduce the Land Registry's underlying cost base. The Peterborough building is leased, there is no capital asset value to be

[Mr. Stewart Jackson]

unlocked and it would otherwise be a continuing drain on resources through redundancy payments.

We are talking about people's jobs and, in particular, older workers who have shown dedication and loyalty over the years to this important specialist work. This issue is about human capital and human resources, and the accumulation of knowledge, skills and experience, especially legal resources. Bluntly, lawyers are extremely expensive for the Land Registry to recruit, train and retain.

Let me move to the Lyons review criteria. The Lyons review has been interpreted wrongly in the Land Registry's business case, and I want to spend some time on that misapplication, as it is integral to my case for a review of the decision as it affects the Peterborough office. The mandatory OGC guidance issued on 5 January 2009 relating to the Treasury approval of accommodation proposals states that there will be a strong presumption that existing civil estate properties in all the Government office regions outside London and the south-east will be used to meet new accommodation demands from Departments. It can be argued that, to comply with the review, it is not necessary to close the Peterborough office.

It is wrong to allocate a so-called red marking to the office by suggesting that it is non-compliant with the Lyons agenda. The criteria have obviously been misapplied. By that, I mean that Peterborough has been allocated a position as part of the greater south-east, but it is not Oxford, Milton Keynes, Surrey, Hampshire or Kent. It is on the border with the east midlands and it is in the north-west corner of the eastern region. It is not in the greater south-east and there was a clear error about that in the decision taken and the case made for closure.

Bizarrely as regards the Lyons report, table 4 of annexe G of the Land Registry document, on assessment against retention criteria, assigns a green marking to the Portsmouth office, confirming that it is compliant with the Lyons agenda. That is despite the fact that Portsmouth, the last time I looked, was in the county of Hampshire in the south-east. If the criteria had been correctly applied, the Nottingham and the Leicester offices would have been deemed more suitable for closure than Peterborough. The case for closing Peterborough in preference to other offices has not been correctly made.

In response to the report, Her Majesty's Treasury set out in its letter of 23 March 2005, as part of the Government's efficiency programme, the requirements for Treasury approval for all substantial accommodation proposals in London and the south-east. The protocol applies to new property leases, as well as lease renewals and extensions. It refers to the presumption against locating public sector activities in the greater south-east, which is defined as the whole of London, the south-east and the east of England. However, the protocol states at paragraph 5 that that requirement for relocation does not mean that activities already based in the east of England are expected to relocate outside the region when new accommodation needs are being considered.

At paragraph 6, the protocol confirms that proposals for accommodation in the east of England region in respect of public sector activities already located in the region are exempt from external Treasury oversight and Chief Secretary to the Treasury approval.

I want to finish by examining the significant impact on my constituency of the potential closure of the Peterborough office. Of all the proposed office closures, the Peterborough one will cause the greatest pain to staff due to the limited prospects for comparable work in the city, with no capital gain to the organisation.

The advice sought by the accelerated transformation team has been on the basis of socio-economic profiling of the areas that currently have Land Registry offices and with reference to the Government's regeneration framework, to which all Departments are signed up and which the OGC is keen to see applied in decisions on the location of Government agencies. Although it is apparent from the Department for Communities and Local Government advice that the deprivation in Peterborough is not the same as that in, for instance, Hull and Birkenhead, the local economy and job market should be carefully considered.

Peterborough is a city with significant areas of deprivation. One ward—Dogsthorpe—is among the most deprived wards in England, some parts of the city are within the 3 per cent. most deprived and a further seven wards are deemed to have high levels of deprivation. National indices of deprivation rank Peterborough 80th out of 354 local authority areas. The east of England may be seen on some indexes as comparatively affluent, but it is important to assess the characteristics of specific locations. The male unemployment rate in the Peterborough constituency is 10.4 per cent. We have seen significant job losses over the past two years involving Pearl Assurance, Indesit, the city council, the Freemans catalogue company, Ideal Shopping Direct and the Norwich and Peterborough building society. Wage and skill levels are below the east of England and the south-east regional averages.

Therefore, the business case for closure of the Peterborough office is contrary to and wholly inconsistent with the regeneration framework and Government guidance, and the socio-economic impact has not been sufficiently or correctly considered in the wider context. Peterborough and its wider sub-region have a very different economic profile from most of the south-east, which should be taken into account when assessing the socio-economic impact of the proposals.

The Land Registry has failed to make a coherent or logical case for the closure of the Peterborough office in September 2011, but there is an alternative, as enunciated by the Public and Commercial Services Union individual consultation involving members of staff at the office. The Land Registry has brought forward plans that are financially and organisationally at variance with the Government's objectives and economically damaging to my constituency, and that involve the straightforward misapplication of the decision-making criteria in respect of the Lyons review. For those reasons and with due cognisance of the contribution of the staff now and in the future at the Land Registry in my constituency, I urge the Minister to think again, review the plans and level the playing field so that the Land Registry in Peterborough can continue its excellent work.

4.48 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): I start by congratulating the hon. Member for Peterborough (Mr. Jackson) on securing the debate. Since the Land Registry launched the consultation, I

have met a number of hon. Members, including my hon. Friends the Members for Stevenage (Barbara Follett), for Portsmouth, North (Sarah McCarthy-Fry), for Plymouth, Devonport (Alison Seabeck) and for Plymouth, Sutton (Linda Gilroy). I have also received a number of representations from other hon. Members and had exchanges in the House with the hon. Member for Croydon, Central (Mr. Pelling). Later today—very shortly—I am to meet the hon. Member for Tunbridge Wells (Greg Clark).

I understand all the concerns, including those that the hon. Member for Peterborough has raised here today. This is a very difficult time for the Land Registry. I agree with his remarks about the quality of the Land Registry. The organisation is fundamental to our national way of life. We are a notably—notoriously—home-owning country and the Land Registry plays a fundamental role in that process of home ownership. Most of us have had experience of it at some point, and the overwhelming majority of people are satisfied with their experience of the Land Registry. In my experience as a Minister, it is an extremely well run, well managed and well staffed organisation. That is the case everywhere one goes. It is worth pointing out that, in the customer surveys conducted in 2009, 95 per cent. of customers rated the Land Registry's overall performance as good, very good or excellent. Very few organisations can match that level of customer satisfaction.

Mr. Vara: I am grateful to the Minister for giving way and I shall be brief. Given that the property market is showing signs that it might pick up in the not-too-distant future, and assuming that that will happen, does not the Minister think that now may be the wrong time to get rid of people involved in the property business and in registering property transactions? We do not know when the market will pick up, but it can go only one way.

Mr. Wills: I thank the hon. Gentleman for his gesture of confidence in the Labour Government and their administration of the economy. I am not sure that he altogether intended that compliment, but I accept it.

I understand the point that the hon. Gentleman makes. It has been made by several hon. Members over the past few months. It is important to recognise that the transformation programme is not being driven by the present property market. As we all know, the downturn has been savage, but there are signs that the market is picking up. No one knows quite how far or how fast, but my expectation, like his, is that it will return to growth. However, that is not the only thing driving the transformation programme.

The Land Registry's business is changing. It is an efficient organisation—I referred a moment ago to the level of customer satisfaction—but the organisation is also well managed. I pay tribute to Peter Collis, the recently departed chief land registrar, who was in charge of the registry for many years and during a difficult period of transformation. I am confident that the new chief land registrar, Marco Pierleoni, will be an excellent steward of this precious British institution.

I am sure that all hon. Members here know that the staff of the land registries in their constituencies are committed to their work. Many have served for a long time; for some it has been a family business, with generations of the same family working there. Their high levels of commitment to the business and of professionalism are widely recognised. In those circumstances, it is particularly difficult for staff to have to go through such a process. We recognise that, as do the Land Registry management, and it is important to put that on the record.

Greg Clark: I am grateful to the Minister for giving way. I am grateful also for him agreeing to meet me later today. Given the almost family feeling that there has been in the Land Registry over the years, which the Minister acknowledges, is it not invidious that the redundancy arrangements for different offices should be different, when people have served with great distinction in the same organisation for a long time?

Mr. Wills: I would have spoken about that later, but I shall do so now as the hon. Gentleman's remarks have precipitated it. As a Minister, I am responsible for the operations of the Land Registry, but it is a trading fund and is operationally independent. He will forgive me for not commenting on what are essentially operational matters.

Mr. Pelling: I shall try to get away with making two points. Is that not a comment on the way in which British politics no longer works? The Minister is constantly saying that everything is at arm's length, but it means that there is no accountability. If he is accountable, perhaps he should take account of the fact that the Croydon office is shown to have the lowest unit costs in staffing terms. Is not the reality that it is the property portfolio that is driving these decisions, rather than what might be regarded as marginal revenue issues such as the general efficiency of each office?

Mr. Wills: I should congratulate the hon. Gentleman on the way he spliced a set of questions into one rather elegant intervention.

In the time remaining to me, I shall deal with the question of operational independence. I am the Minister and I am accountable. I have taken a keen interest in the process over many months. I have met a large number of parliamentary colleagues and had several meetings with the trade unions involved and with individual members of the Land Registry. I consider myself accountable for the outcome, and I am happy to be held responsible for it.

So far, the arrangements have worked particularly well. We have seen how satisfied customers of the Land Registry are and that it is an efficient organisation. However, it has to change with a changing world. All organisations have to do that. Governments and politicians have to do so, and so does the private sector. That is the world that we live in—a world of rapid change—and good organisations respond effectively and rapidly to that change. That is what the Land Registry is doing.

I am sorry if this seems a bit of a tease, but I have to tell hon. Members that the Land Registry board has considered the consultation thoroughly and taken account of it. I can say from my own knowledge and experience that it has been open and transparent. It has gone into the consultation with a genuinely open mind. It has made its recommendations, which are being considered by Ministers and, as always, by the Treasury. The outcome of the process will be announced very shortly. I hope that hon. Members will pass that information on to their constituents.

[Mr. Wills]

I know that it has been a difficult time, but we are approaching a resolution. Ministers and the Land Registry itself are conscious of the need to bring the uncertainty to an end. We understand that it has been destabilising, but it is worth remembering why we are in this position.

The hon. Member for Peterborough referred to the downturn in the property market. It is worth setting out how severe it has been. Transaction levels, which are the key factor for the Land Registry, will have fallen from 16.1 million in 2007-08 to a projected 10 million in 2009-10. The Land Registry receives no central funding because it is a trading fund; it depends on the fees that it receives for services rendered. It made a loss of £130 million in 2008-09 compared with a surplus of about £70 million in 2007-08.

It is a severe problem for any organisation to have to change the nature of its business. The Land Registry has been well run for many years and it has had reserves, but it has to respond to the changing market. No one knows what will happen to the property market, and the trading fund has to be prudent in its approach. However, underlying all that is a fundamental change in the way in which it does business.

It is important to remember that the blueprint for the transformation programme was published nearly four years ago in 2006. It was clear then that the Land Registry would have to become a smaller organisation and deal with its customers differently. An increasing range of services have become available online and there have been improvements in efficiency, as we expect of all public sector organisations.

Mr. Stewart Jackson: The Land Registry cannot have it both ways. It cannot say that we are using the blunt instrument of the Lyons review as a means to weed out the wheat from the chaff. However, on 14 January the Minister wrote to me, saying:

"Consistency with the Lyons Report was one of a range of criteria used in arriving at the proposals."

Will he confirm that Ministers are disregarding the Lyons review—indeed, as we have established, they may be misapplying it—and considering other factors? If so, what are they?

Mr. Wills: If the hon. Gentleman can be patient for a few days more, I will happily take his representations on whether the review is a blunt instrument. I shall be happy to explain then the rationale for the decisions that have been taken. I ask him to suspend his judgment about how blunt an instrument it has been for a few more days; we can continue the discussion then.

Mr. Pelling: I do not want to irritate the Minister, as we are supplicants at his feet, but it would be most unfortunate if the final result was that offices were closed only in the constituencies of Opposition Members, rather than of Government Members.

Mr. Wills: I assure the hon. Gentleman that he will never irritate me. I am never irritated. However, if he will forgive me, I shall give not even a hint of the outcome of the process. All that I can say is that I will be happy to receive further representations on any points once the announcement has been made. Until then, I hope that all hon. Members will suspend their judgment—on blunt instruments, political partisanship and the rest of it. Everything will be revealed shortly.

This matter is fundamentally important. The fact that so many hon. Members are here after the House has risen—for the record, the House has adjourned—shows how important it is. I shall be happy to continue our dialogue once the announcement has been made. I am not saying that I can interfere with it, as the Land Registry is operationally independent. There is no doubt that we are talking about an organisation that is responding flexibly and efficiently to a changing world. The property market is changing dramatically and none of us knows where it will end up. It is important that the Land Registry is in a position to respond efficiently, flexibly and rapidly to change.

5 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 4 March 2010

[HYWEL WILLIAMS *in the Chair*]

Global Security (Non-Proliferation)

[Relevant documents: Fourth Report from the Foreign Affairs Committee, Session 2008-09, on Global Security: Non-proliferation, HC 222, and the Government response, Cm 7692.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Ivan Lewis.]*

2.30 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I am delighted to introduce the fourth report of the Foreign Affairs Committee, which will, I guess, be the last report to be debated in this Parliament. The report, entitled "Global Security: Non-Proliferation", was published on 14 June 2009, and the Government response was published in August 2009. Inevitably, a lot of things have happened since then. Even in the interim between our report's publication and the Government's response, the Cabinet Office published "The Road to 2010: Addressing the Nuclear Question in the 21st Century", a position paper on the approach that the Government have taken in the run-up to the important non-proliferation treaty review conference, which is due to start in May.

Given the importance of that conference, it is essential that we have a detailed debate now in Parliament on what is happening. The previous review conference, in 2005, was a failure and there are real threats to the non-proliferation regime, including from North Korea and Iran and from the potential development of a nuclear arms race throughout the middle east from Arab neighbours of Iran, responding to that. There is also a change in the political relations between the United States and Russia and the tentative commencement of dialogue between India and Pakistan. Not everything is negative. There is no progress in the middle east in respect of Israel and the Palestinians and potential areas of conflict, but there are some positive political developments as we approach the review conference.

I should like to highlight the essence of the concerns and conclusions of our report. I am afraid that I shall quote an extensive passage from the report—paragraph 114, which is also quoted in paragraph 14 of the Government response. I want to place it on the record, as it is important. It states:

"We conclude that the five recognised nuclear weapons states have widely varying records as regards nuclear disarmament and arms control over the last decade. We welcome the fact that of the five the record of the UK has been the best. However, we also conclude that, owing to the way in which the Nuclear Non-Proliferation Treaty…enshrines a distinction between nuclear and non-nuclear weapons States Parties, the five recognised nuclear powers are often perceived as a group by the non-nuclear weapons states, and that, as such, the group is seen collectively to have failed to live up to the nuclear disarmament commitments made at the 1995 and 2000 NPT Review Conferences."

The important point that we are making is that the vast majority of the nuclear arsenals in the world are held by the two nuclear superpowers: the United States and Russia. The UK, France and China, the other three nuclear weapons states that are signatory to the non-proliferation treaty, have much smaller arsenals.

Owing to the lack of progress under the Bush Administration on these issues, and their lack of interest in all things to do with negotiated multilateral or bilateral disarmament, we are in a situation today where the non-proliferation review conference can be put at risk unless there is a significant move on these matters, collectively, by the nuclear weapons states—that means, in essence, a move this year by the United States and Russia. I will say more about that in a moment. Paragraph 114 concludes:

"without decisive movement by the five recognised nuclear weapons states as a whole on nuclear disarmament measures, there is a risk that the 2010 Review Conference will fail, like its 2005 predecessor—during a critical period for dealing with North Korea and attempting to constrain Iran's nuclear programme."

We called for the Government to do more on these matters. I should like formally to take this opportunity to thank the Government for "The Road to 2010" document, which was published by the Cabinet Office. There was a certain procedural problem, in that our Committee was not given a copy quickly, although it was put into the public domain while the Prime Minister was answering questions at the Liaison Committee. I received the press release—but not the document—at that point, so it was rather difficult for us. That, however, is a process problem between the Cabinet Office, which sponsored the document, and the other Departments. We hope that in future the Cabinet Office will bear in mind that Select Committees have an interest and that our Committee had an explicitly stated interest in these matters. We should have had that document directly in advance, before it appeared on the websites and in the national daily newspapers.

Paragraph 115 of our report highlighted relatively well defined international agenda on nuclear disarmament steps in respect of which there is international consensus on a lot of matters, such as

"entry into force of the Comprehensive Nuclear Test Ban Treaty, the start of negotiations on a Fissile Material Cut-off Treaty, and measures to scale down, de-alert and make more transparent existing nuclear arsenals. We recommend that the Government should aim to come away from the 2010 NPT Review Conference with agreement on a concrete plan to take the multilateral nuclear disarmament process forward, with target dates for"

all those areas and commitments from both

"nuclear and non-nuclear weapons States Parties to ensure implementation."

I should be grateful if the Minister updated us on the progress that has already been made, as well as on what progress he expects will be made in future.

There are problems. A number of countries are not party to the non-proliferation treaty. India regards it as an unequal treaty and therefore has not signed. Pakistan is also a nuclear weapons state, yet it has not signed. I understand that the Pakistanis are the main reason why we are not making progress on the fissile missile cut-off treaty; they have made objections in the United Nations negotiations process.

North Korea is a signatory to the non-proliferation treaty but has carried out nuclear weapons tests, although whether they were successful or not is debatable. Nevertheless, the North Koreans claim that they have a nuclear weapon—and their neighbours believe that they

[Mike Gapes]

do—and they are in open defiance of the treaty and have said that they have withdrawn from it. One of our report's conclusions was that strong measures, including sanctions, should be taken against countries that withdraw from such a treaty.

Iran has not withdrawn from the non-proliferation treaty review, but it is in breach of its obligations under that treaty, particularly with regard to the additional protocol and successive UN Security Council resolutions. The American Administration have extended the hand of friendship, to use President Obama's words, but that has been rebuffed. The Iranians seem to be taking on a position that will inevitably lead to strengthened sanctions from the international community.

Interestingly, the Russian Government, who until a few weeks ago had been cautious about having tightened sanctions on Iran, now seem to have moved their position to support a tighter regime. The problem now in the Security Council is China, and its relationship with Iran. Gas imports are probably a major determinant in that, but China's attitude to bilateral issues with the United States over arms sales to Taiwan and so on may also be involved. I shall be interested in the Minister's assessment of that.

Professor Ali Ansari, the renowned academic, wrote recently with reference to the Iranian regime:

"The meaning of it all, of course, is that foreign policy has always been subservient to domestic needs and that the deliberate raising of the nuclear spectre is intended to divert attention at home and abroad. At home the government believes that the spirit of confrontation can help rebuild a badly damaged legitimacy, while the heightened preoccupation with the nuclear crisis can be used to convince Iranians that the west has no real interest in their human rights and democratic aspirations. Like all good demagogues, Ahmadinejad knows how to peddle fear and exploit paranoia, whether it resides in the east or the west."

That is a good summary of how the Iranian regime is trying to use the heightened tensions about the nuclear issue to reduce support for the opposition following the rigged elections last year.

I do not want to take up too much time, and I am conscious that we may have a series of votes that will disrupt our proceedings, but it is important that I should highlight some of the most important aspects in our report. It went much wider than just nuclear weapons. It deals with a range of issues and includes references to chemical and biological weapons, cluster munitions, the arms trade treaty and the prospects for conventional disarmament. I do not have time to go into all the conclusions or the Government's response, so I want to focus on the non-proliferation treaty review conference.

One reason for the conference's failure in 2005 was the perennial difficulties in the middle east, and there has been no progress on the negotiation of a comprehensive settlement of the middle east dispute. As a result, it is highly likely that Israel's nuclear weapons programme will feature in the debates on the nuclear non-proliferation treaty. Israel's internal politics cannot be easily influenced from outside. Members of our Committee recently visited Israel. There is a clear concentration on security concerns in Israel, as in Iran, and such matters have a relationship.

At the same time, there was the mysterious episode of the Israeli bombing of the facility in Syria, which the Syrians had not made public. No one is quite sure whether it was a nuclear weapons-related facility, but I understand that it was more likely that it was. It was suggested that the North Koreans had assisted the Syrians to develop that facility, which the Israelis, perhaps with intelligence gained from elsewhere, promptly bombed.

In our report, we drew attention to the interesting question of why the International Atomic Energy Agency was not made aware of the existence of that facility by the Syrians or, pertinently, by the United States and other countries that clearly had the intelligence to give some idea of what was going on. We commented on that in our report. In paragraph 94, we drew attention to the long-standing aspiration for a weapons of mass destruction-free zone in the middle east, and pointed out that the Government should try to do more under the European Union's Mediterranean process to work for such an objective. In their helpful response, the Government used an interesting phrase. They called on all states in the region to take practical steps in appropriate forums aimed at

"making progress towards the establishment of an effectively verifiable Middle East zone free from weapons of mass destruction."

Clearly, the phrase "effectively verifiable" is the essence of the problem.

Given that most countries in the region do not recognise the existence of Israel, that there is no peace agreement with Syria and that there is a cold peace with Jordan and Egypt, there is clearly a long way to go before achieving effectively verifiable zones free from anything. I hope that the Minister will touch on the significance and importance of that. I argue strongly that we should not allow the non-proliferation treaty to be put in hock to regional disputes—whether the Israeli-Palestinian conflict, the dispute between India and Pakistan over Kashmir or any other. Those are wider issues, and we must try to make progress so that the review conference comes up with a positive agenda, a timetable and—I was about to say "road map", but in the context of the middle east I will not—a plan for the future.

Jeremy Corbyn (Islington, North) (Lab): I apologise for missing the first 10 minutes of my hon. Friend's speech. His Committee delivered a commendably detailed report. Does he believe that a useful outcome of the non-proliferation treaty review might be the establishment of a nuclear weapons convention, which obviously could include all countries, irrespective of whether they were signatories to the NPT? Clearly, NPT membership is restricted to the haves and the have-nots, but those who have just obtained nuclear weapons cannot be included in the system.

Mike Gapes: I am not sure whether another negotiating forum would help us; I would need to be convinced of that. We said in our report that there are loads of disarmament forums around the world—too many. In their response, the Government did not agree, but setting up another talking shop is not what we need. We need concrete action to ensure that existing conventions and treaties are complied with.

Most importantly, under article 6 of the non-proliferation treaty, the declared nuclear weapons states agree to act in good faith to secure real measures of nuclear disarmament with an aspiration for total global nuclear disarmament. That should be upheld, and in that context I was encouraged by President Obama's speech in Prague

last year. I was also encouraged by the report in the *International Herald Tribune* on 2 March, two days ago, about Obama's commitment to move towards significant reductions in the US nuclear arsenal. There were earlier reports in February of tentative moves towards a possible agreement between the Americans and the Russians on strategic arms reduction.

According to my information, there are still large arsenals of such weapons, and both the Americans and the Russians could make very deep cuts in their strategic arsenals without moving away from a nuclear deterrent policy. Russia could retire some old and dangerous systems that are probably unusable. We therefore have the prospect of deep reductions, which would go a considerable way towards strengthening the argument against those who believe that this is an unequal treaty and that the nuclear weapons states have failed to comply with their aspirations.

However, there are complications to the US-Russia relationship. First, the Russians have adopted a new posture that defines NATO as the main enemy. Members of the Committee were in Brussels last Monday and Tuesday, and we heard about that in some detail during discussions. Russia says that its main enemy is not terrorism, Islamist fundamentalism or climate change—although one would not expect that from the Russians—but NATO. That sits oddly in the context of the new opening up of dialogue and potential agreement with the Americans.

Secondly, there is the question of missile defence. At what point does missile defence become an obstacle to further nuclear weapons reduction? President Obama and Vice-President Biden have changed the American position from that of the Bush Administration and taken a new approach. Instead of having anti-ballistic missiles in Poland to shoot down nuclear missiles, and radar in the Czech Republic, that completely different approach will now focus on southern Europe—Bulgaria and Romania—and on putting missiles in the Arab Gulf states to defend against a potential Iranian nuclear weapons programme.

At one level that is worrying because it almost implicitly states that the route of disarmament and sanctions will not necessarily stop the Iranians getting a nuclear weapon. It also means, however, that it cannot be argued that such measures are in any way directed against the Russian strategic nuclear arsenal. Russia's nuclear arsenal is not based anywhere near the Caspian sea, and it is likely that the Russians will take a different approach to such matters.

If the ballistic missile defence model grows during the next phase—rounds two, three and four—it could potentially become global. In those circumstances, the American offer to the Russians of a co-operative relationship with NATO on such matters is vital. The last thing we want is an anti-missile arms race alongside a nuclear arms race, or for measures that stop further nuclear arms reduction to come about through the ongoing negotiations.

I will conclude with two or three other points. The Committee made a number of recommendations, many of which the Government agreed to. However, some recommendations were not agreed to, and I want to touch on a few of those points and press the Minister on them. It is important that we get the opportunity to reply to the Government response to the Committee's report.

I have already mentioned the first point, which is the sheer number of organisations and initiatives and the need to simplify, rather than complicate, the disarmament process and non-proliferation architecture. Secondly, the Committee was critical of the India-US civil nuclear co-operation deal because we thought that it could undermine the non-proliferation regime by implicitly accepting India as a nuclear weapons state outside the treaty. The Government did not agree with that, but I am not convinced by their response.

Thirdly, we concluded that there should be changes and reductions to the operational readiness of nuclear weapons, in order to enhance international security. We also raised questions about the Trident programme, the possible delay in moving towards the initial gate decision and the contribution that holding back on the renewal of Trident might make to the prospects of a move towards negotiation on multilateral disarmament involving Britain's existing nuclear weapons. I would be interested to hear the ministerial thinking on that as we approach the non-proliferation review conference, and in the light of budgetary pressures within the Ministry of Defence. What time scale is envisaged for the renewal of Trident and what will be the implications of that on the number of warheads that we have in the UK?

"The Road to 2010" document touches on that issue, and the written response to our recommendations referred to the Prime Minister's statement about a potential move towards having three submarines rather than four, or to having submarines with fewer missiles. The current Trident submarine has 16 missiles, and that number could be reduced to 12. Although I accept that we have made moves over the past decade, I would be grateful if the Minister told us whether the Government have any thoughts about what additional moves Britain could make to further progress towards international nuclear disarmament.

Mr. Edward Davey (Kingston and Surbiton) (LD): As we approach the May conference, would it be helpful if the Government went on the record to say that they would be prepared to delay the currently envisaged timetable for the renewal of Trident as a sign that they want to engage and that, if there were positive movements at New York, they would not go ahead with that renewal?

Mike Gapes: I can quote the exact words stated by the Committee last year:

> "The Government should specify—in the light of international disarmament developments by that time—the state of a multilateral nuclear disarmament process that would trigger UK participation. We further recommend that the Government should specify whether there are circumstances under which the UK would be prepared to suspend the Trident renewal programme."

That is from paragraph 138 of the report.

Jeremy Corbyn: I welcome the points that have been made in the report. Does my hon. Friend have any idea about how much money has thus far been committed either to the replacement of the submarines or to the development of a missile system? Would it be useful if the Government were more open about that issue, particularly in advance of the nuclear non-proliferation treaty conference in May?

Mike Gapes: I cannot answer that question. The Committee's report was not a detailed report on Trident. The Defence Committee made a detailed inquiry on that issue and asked a number of questions. It got some information from the Government as a response, but such matters need to be pursued by my hon. Friend through other channels rather than through me.

There are one or two other points of difference. The Government rejected some of our recommendations on chemical and biological weapons, but I will not go into that now. They said that they would only consider—rather than advocate—the inclusion in future international agreements of a defined set of "disagreeable consequences" that would act as a deterrent to states flouting their commitments or withdrawing. I have already given the example of North Korea.

Overall, although the Committee has not necessarily reached a collective decision, we are pleased at the number of recommendations that we made with which the Government agreed. I am also pleased that through "The Road to 2010" document, the conference that was held last September and other developments, the Government are taking our suggestions seriously. Just on 15 February, the Committee received a detailed letter from the Foreign and Commonwealth Office setting out responses to recommendations that we had made. That letter gave further information and updated us on the developments in the period since the original response was published last August. That is all very welcome.

The world is at a crucial moment. If the non-proliferation treaty review conference is a success and the resetting of relations between the United States and Russia leads to significant reductions in their nuclear arsenals, and if at the same time there is a united international response through the United Nations Security Council, with China coming on board, to Iran's breach of its obligations under the NPT, we will send a clear signal about the importance of the 1968 non-proliferation treaty, which came into force 40 years ago, in 1970. This is a very important year. If, however, the NPT conference is a failure and we do not get effective international measures against Iran, we could be in for a very dangerous and difficult time and the number of nuclear weapons states could significantly increase during the rest of this decade.

3.1 pm

Sir John Stanley (Tonbridge and Malling) (Con): Having many more years ago than I like to recall co-authored a book at the Institute for Strategic Studies, as it then was, on the international arms trade, and having subsequently had an abiding and deep concern about non-proliferation issues, I am delighted that the House has found time at the end of this Parliament to debate the Foreign Affairs Committee report on non-proliferation. As this is almost certainly the last report by this Committee that will be debated in the House, I would like to place it on the record that the volume and quantity of Foreign Affairs Committee reports that we have presented to the House during this Parliament owe much to the chairmanship of the hon. Member for Ilford, South (Mike Gapes), who has taken us successfully and effectively through a very considerable number of highly complex and important inquiries, of which this is one. On behalf of the Committee, I express my gratitude to him.

This morning, I heard on the radio—other hon. Members may have heard the same report—that one of our sister Committees, the Defence Committee, in a report published today, has panned its Department, the Ministry of Defence, for inadequate co-operation. Indeed, I think that the Committee accused the Department of obfuscation in its dealings with the Committee, in the context, I think, of a report on defence procurement. Therefore, I would like to say to the Minister that, for my part, the Foreign Secretary's 34-page response to our report was extremely informative and extremely detailed, and provided a justifiably serious response to what I believe is a weighty and significant report by the Foreign Affairs Committee. I express my appreciation to the ministerial team and the FCO officials for the content and detail of their response.

I shall focus my remarks on non-proliferation of nuclear weapons, but in doing so, I want to make it clear that, historically and in reality, the one proven weapon of mass destruction has been conventional weapons, and of course conventional weapons have been responsible for the deaths of tens of millions of people in the grim conflicts of the two world wars in the last century and in many other conflicts. Therefore, although I do not have time to deal at great length with conventional weapons proliferation, and I want to focus on nuclear and other weapons of mass destruction, I want to put down a clear marker on the key importance of preventing proliferation and trying to reduce the proliferation of conventional weapons also.

It is fair to say that, not too many years ago, it was possible to look at the weapons of mass destruction global picture with a degree of guarded optimism. One might have even used the expression "an approach to sunlit uplands", but that might have been going a bit too far. However, a few years ago, one could have reflected on the fact that major international treaties across the board were in place. They covered strategic nuclear weapons, intermediate-range weapons, chemical weapons, biological weapons, non-proliferation and a comprehensive test ban.

On top of that, the cold war had been brought to an end and countries such as South Africa and Libya had taken themselves deliberately out of the nuclear weapons business. The gloomy predictions that I well remember and other hon. Members will recall were made in the 1950s and '60s—that by the end of the 20th century there would be perhaps 20-plus nuclear weapons states—had been shown not to have been realised.

Today, however, a few years later, those sunlit uplands, if ever they were so, are something of a mirage, and we have every ground to be increasingly concerned about the risks and dangers of weapons of mass destruction proliferation taking place. We must therefore heighten our efforts to reverse that deteriorating position.

Let me start with biological weapons. Those of us who have the privilege of representing our constituents would do well to remind people that this is not an arcane theoretical area. If we ever want a vivid reminder of the nature of the threat that we face, we have only to look at the natural world. We have only to look at epidemics such as SARS—severe acute respiratory syndrome—or swine flu to see the rapidity with which viruses can be carried around the globe and infect people at a very considerable rate, because of modern

international travel and mass transport systems. I hope that that brings it home to people generally that this is an area of enormously high risk.

Against that, however, we still have no verification and no enforcement provisions attached to the biological weapons convention. In my view, the decision of the previous, Bush junior Administration to torpedo the verification protocol to the biological weapons convention—a protocol that took some seven years to negotiate—was a very irresponsible act. I understand that the Bush Administration felt strongly that they had the biological science commercial interests of the US to try to protect. I understand also that it is possible to pick holes in the terms of that verification protocol. However, given that this is such an important area and given the total absence of any verification, it surely was a subject on which half a loaf would have been infinitely better than nothing at all, and nothing at all is what we are left with today.

Given the extreme difficulty of detecting biological weapons, coupled with the extreme lethality of some of them, I have long taken the view that they represent every bit as much of a threat to populations around the world as nuclear weapons. I urge the Government to continue to do all they can to produce enforcement and verification provisions for the biological weapons convention.

On chemical weapons, the Arms Control Association says that 16 countries still have an offensive chemical weapons capability. The Government response clearly brought out the risks that we are still exposed to from chemical weapons. It refers to seven states that remain outside the provisions of the chemical weapons convention and that are assessed to be holders of chemical weapons: Israel, Syria, Egypt, North Korea, Angola, Somalia and Burma. It also quite rightly refers to the fact that a considerable number of countries that have acceded to the chemical weapons convention are still failing to comply with its provisions.

The Government response brings out the fact that there is a real threat to meeting the 2012 global deadline for the destruction of existing chemical weapons stockpiles. It rightly brings out the fact that the US has still destroyed only 60 per cent. of its chemical weapons and that the Russians are lagging even further behind, having destroyed only 35 per cent. of their stocks. On the destruction of Saddam Hussein's stockpile of chemical weapons in Iraq, it makes the interesting point that a deadline has not even been set.

I therefore want to put one key question to the Minister. On the vital issue of the challenge inspection provisions under the chemical weapons convention, have the current American Administration rescinded, or given an undertaking to rescind, the lamentable presidential veto on inspections, imposed by the Bush Administration? On the chemical weapons front, I hope that the Government continue to do their utmost to secure universal compliance with the chemical weapons convention and full adherence to the provisions of that important measure.

I turn now to the nuclear weapons aspect of weapons of mass destruction. I have referred to what I believe to be the deteriorating position. In the far east, there has been no progress on the six-party talks with North Korea. As long as North Korea remains a nuclear weapons state, there is a real risk of a breakout of nuclear proliferation in that part of the world. North Korea's near neighbour Japan already has a highly developed ballistic missile capability, although it is for civilian purposes only. Unhappily, India and Pakistan still rigidly adhere to the belief that they both need to possess nuclear weapons, and there seems to be no willingness on either side to retreat from that position.

As we come further westwards, there is Iran. Whatever the talk from Iran, and whatever encouragement it gives us from time to time to believe that it is willing to expose itself to inspections and engage in dialogue, the reality is that the remorseless, consistent trend is towards a nuclear weapons capability. That poses the profound danger of nuclear proliferation in that already fraught part of the world.

The forthcoming successor to the START—strategic arms reduction treaty—negotiations between Russia and the US should have started by now. Indeed, when the Government responded to our report, they were hopeful that the negotiations would begin before the START I treaty expired in December last year. We hope that the negotiations will reach a conclusion, and it would be helpful if that was before the start of the non-proliferation treaty review. We earnestly hope that the review will achieve success and does not end in dismal failure, which would be a serious reverse.

I want now to concentrate on one significant group of nuclear weapons. Since our report was published in June last year, sub-strategic nuclear weapons have come back into the area of possible significant negotiation. Of all the nuclear arms control treaties that have been entered into since nuclear weapons were developed, the most significant is the intermediate-range nuclear forces treaty of 1987.

The treaty had three crucial points of significance. First, it eliminated a very sizeable class of nuclear weapons—ground-based cruise missile-launched and ballistic missile-launched nuclear weapons. There was a huge range of these weapons, which covered ranges of 5,500 km down to 500 km.

The second point of significance was that the elimination of that group of weapons was of enormous benefit to us in Europe. If those weapons had ever been delivered, a large number of them would, prospectively, have been delivered on to European soil. Their elimination was therefore an important advance for Europe.

The third crucial point of significance—this relates to something that I will say in a moment—is that the treaty demonstrated that it was possible to negotiate an arms control agreement with Russia, or the Soviet Union as it was then, that took arms levels down to zero on both sides. That was highly significant. That is why the INF treaty is much the most significant of the nuclear arms control agreements that have been entered into so far.

Originally, it was hoped that it might be possible to go further than the parameters of the INF treaty: it was hoped that it might be possible to go all the way down from a range of 5,500 km to zero—in other words, to take in the sub-strategic category. In reality, however, that proved to be a hurdle too far, and only intermediate-range weapons were included in the INF treaty.

However, three factors are now interacting to reopen the whole issue of sub-strategic nuclear weapons for possible arms control measures. The first is the fact that

[Sir John Stanley]

of the five European NATO members who have sub-strategic nuclear weapons on their soil, at least some—but definitely led by Germany—are becoming increasingly concerned about whether they want to continue to have that responsibility and position. That has now become a significant issue within NATO and in German politics. In addition, the United States nuclear posture review is now taking place. Finally, the NATO strategic concept review is also taking place. For the first time in a long period, a degree of movement is possible in the area in question, as those three factors come together.

We are talking about a huge quantity of nuclear weapons. On published figures from the Centre for Nonproliferation Studies in the US, the Russians have about 5,000 sub-strategic nuclear weapons and the American arsenal is 1,100, of which 200 are those deployed in the five European NATO member countries to which I have referred. I believe that there is a compelling case for trying to carry forward the elimination of that group of weapons, on the same basis as that on which we have already successfully negotiated under the INF treaty.

My reasons for believing that are, first, that unless one believes that there is still a possible threat of wave after wave and division after division of Russian armour pouring westwards across the plains of Europe, those weapons are, in military and defence terms, obsolete. They are cold war relics and one must question the sense of hanging on to such relics—weapons with no foreseeable use.

Secondly, from a European perspective, my case rests on the fact that, to an even greater extent than intermediate-range nuclear weapons, tactical or sub-strategic nuclear weapons—I appreciate that there is some distinction, but we are talking about the panoply of sub-strategic nuclear weapons, with a range of 500 km or less—would all, in Russian hands, be used, if ever they were used, in the European theatre. They represent a threat to Europe, but not to our NATO allies across the Atlantic, most particularly the United States.

There is a particular European interest in getting rid of that group of weapons. I was struck by the last sentence in an article written last month by the Swedish and Polish Foreign Ministers, Carl Bildt and Radek Sikorski, entitled "Next, the Tactical Nukes":

> "Such weapons are dangerous remnants of a dangerous past—and they should not be allowed to endanger our common future."

That was well said.

The third case for getting rid of sub-strategic nuclear weapons en bloc, if we can, is, as we mentioned in our report, the current dimension of risk of terrorist access to weapons, whether conventional or weapons of mass destruction. The elimination of the possibility that terrorists could get access to 6,000-plus sub-strategic nuclear weapons or components, or fissile material for those weapons, such as warheads, must be extremely desirable in counter-terrorist terms.

My last point on the matter is not, I find, generally known, although it is totally in the public arena: there is a UK dimension—a Trident dimension—because, as has been publicly disclosed in Ministry of Defence documents, Trident, whose main capability is strategic, also has a sub-strategic capability. So if, and only if, it were possible to conclude a nuclear sub-strategic weapons elimination agreement that covered not merely ground-launched and air-launched but sea-launched weapons on both sides, including the Russians, it would be possible for the UK to make a contribution through the sub-strategic element in Trident.

Those four points make a profoundly important case for the Government to examine the nuclear sub-strategic area and consider whether it might be possible to eliminate that category of weapons.

Mr. Davey: The right hon. Gentleman is making an important point. Because he has done so much work on the matter, I want to ask him about the issue of sub-strategic nuclear weapons in submarines. An option that is discussed for a much lower-intensity, less powerful replacement for Trident that might be more appropriate in a post-cold war era is such things as nuclear-tipped cruise missiles, from submarines. Those might give us a nuclear deterrent more suited to the threats that might face us. I take it that his proposal would not cover that type of nuclear missile, which might be more appropriate to our needs in this century.

Sir John Stanley: No, I was not referring to that. Most of the cruise missile capability, as the hon. Gentleman will know, is well above the 500 km range, and I am talking about something below that. Also, I certainly would not want our Trident strategic capability to go, unless that was in circumstances in which strategic nuclear capabilities around the world were eliminated as well.

If anyone should be sceptical about whether an agreement could be negotiated that eliminated all sub-strategic nuclear weapons, I would point them to the INF treaty. We have already negotiated such an agreement with the Russians in relation to intermediate-range weapons. If it can be done once it can be done again. I hope that the Government pick up that crucial area and see whether we can make progress towards the elimination of that entire class of nuclear weapons.

3.28 pm

Dr. Gavin Strang (Edinburgh, East) (Lab): A day when the papers contain so many well deserved tributes to Michael Foot is surely a good day to be discussing nuclear weapons, and if I may say so, Mr. Williams, it is fine to have a Member who represents a Welsh constituency in the Chair, given the many great years of service that Michael Foot gave his constituents in Wales. I am grateful for the opportunity to speak, and will be brief, as I know that many hon. Members want to speak in the debate.

I am old enough to remember the Cuban missile crisis. I remember the real fear of the students, and particularly the lecturers, at the university of Edinburgh institute of animal genetics, where I was studying. I have lived most of my life during the cold war, and there is no doubt in my mind that the threat of nuclear war was very serious for these islands, for Europe and indeed for the whole world. It was John F. Kennedy who said that if we did nothing, there would be a considerable number of nuclear states. He reckoned that it would be about 25 in the 1970s. That has not happened, and I believe that it is largely because of the grand bargain, as the Government and the Select

Committee have called it—namely the non-proliferation treaty between the nuclear weapons states and the non-nuclear weapons states.

We have, of course, the official nuclear weapon states and the unofficial nuclear weapon states. As I shall not elaborate on the implications of that, because of the time, I am glad that reference has already been made to the state visit by the President of the Republic of South Africa, as this is a good time to acknowledge that South Africa took a conscious decision to abandon its nuclear weapons.

The NPT is, as the Government have described it, a grand bargain. My hon. Friend the Member for Ilford, South (Mike Gapes) admirably made the point that the agreement of the US to sell nuclear fission material to India was a major undermining of the treaty. India, of course, is a non-NPT country. These are challenging times. As I said, North Korea claims to have manufactured nuclear weapons. Only on Monday, Yukiya Amano, the director general of the International Atomic Energy Agency, stated that his organisation could not confirm that all nuclear material in Iran is being used for peaceful activities because Iran had not provided the agency with the necessary co-operation. In addition, the threat of terrorist efforts to acquire nuclear weapons and materials is a continual concern nowadays.

The Government's document "The Road to 2010" makes a valuable contribution. I pay tribute to the Select Committee on Foreign Affairs, whose report I referred to in our last debate on nuclear weapons proliferation—an adjournment debate on 9 July last year that I initiated. Since then, of course, the Government have published not only "The Road to 2010" but their response to the Select Committee's report. The latter is an excellent document, containing a good range of material. In their response, the Government reiterate their support for a nuclear-free middle east. A few moments ago, I referred to unofficial nuclear weapons states, but it would help if the Minister were to set out the Government's view of progress towards a nuclear-free middle east. Reference has already been made to Iran.

It is important that we see movement from the United States toward ratification of the comprehensive test ban treaty. The policy of President Obama, reiterated last month by his Vice-President, is that the US should ratify the treaty, but that may not be straightforward, because ratification would require 67 votes in the Senate.

There are many important issues to be covered in May: disarmament, safeguards, consequences for treaty violation and consequences for withdrawal from the treaty are among them. There is also a need for a fissile material cut-off treaty. That is being considered by the conference on disarmament, the arena where the matter is discussed, but I understand it has hit the doldrums.

If I may take issue with just one word of the Committee's report it would be the use of the word "critical" in relation to the forthcoming review conference. The word is used by both the Government and the Select Committee. My fear is that it implies that if the review conference does not succeed, that is the end of the treaty, but as has been pointed out, the review conference five years ago was a total farce. We do not know what will happen in May, but to use the word "critical" is a little dangerous, because when it comes to the spread of nuclear weapons to various states, there is no other game in town. We desperately hope that progress will be made because that is so important for the future of this country and of the world, but we have to bear in mind that we need to move forward. We certainly do not want to encourage the idea that, if things do not work out in May and we do not make the progress that we all want, the NPT will be redundant.

3.33 pm

Jeremy Corbyn (Islington, North) (Lab): I am pleased that we are having this debate today. I shall be brief, because we hope to vote in the main Chamber on the reform of Parliament at 4 o'clock. I think that reforming Parliament would be a really good idea, if it meant that we could debate subjects such as this at greater length and in the main Chamber. I acknowledge that the Select Committee on Foreign Affairs has made enormous efforts to produce a substantial document. It is a credit to the Committee and the Select Committee system. I pay tribute to the Committee for that, yet we are debating the report in Westminster Hall with only half a dozen or so Members present. It therefore will not gain the public attention that it deserves. We will have to return to these matters in the next Parliament. The Select Committee system is crucial to democracy, as it holds the Government to account. I thank the Committee for its work. The report, as they say, is a rattling good read, if a rather long one.

Following the point made by my right hon. Friend the Member for Edinburgh, East (Dr. Strang), it would be wrong of me to make any comments about nuclear disarmament without mentioning the enormously important work done by the late Michael Foot. I am very sad at his departure. I have fond memories of him. When I first came to the House, he was the leader of my party. He was pleased that I had become an MP, because he was no longer the worst-dressed Member—someone else had taken over. I always found Michael's contributions amazingly passionate. I attended numerous rallies—CND and others—at which he spoke, and he never lost his passion, commitment, faith and hope. We should remember Michael for all that he did.

I will be extraordinarily brief. As national vice-chair of CND and chair of the CND parliamentary group, I want to make a few brief remarks in respect of nuclear disarmament. As every other Member has mentioned, the nuclear non-proliferation treaty comes up for its quinquennial review in May in New York. Unfortunately, the start of the review coincides with the probable date of a general election and the certain date of the local elections in this country, so no Minister will attend the start of the conference. However, as it runs for four weeks, they may be able to attend the latter part of it. It is a very great opportunity to make enormous progress, and such opportunities do not come around very often.

There have been previous reviews. The 2000 review, in which the late Robin Cook had a big influence on British participation, made a lot of progress, but the last one made no progress at all. One hopes that this year's one will. I attended the preparatory committee in New York last year, and was impressed by the level of engagement by the US, Russia and China. Such engagement has not been so obvious before. Clearly, a great deal of progress could be made. Will the Minister say what position the UK is hoping to take at the conference itself and what we intend to get out of it?

[Jeremy Corbyn]

My next point is more difficult. The non-proliferation treaty has been successful and has discouraged a lot of proliferation. It has within it an inspection regime, which is very important, and a requirement under article 6 for the confirmed holders of nuclear weapons—Britain, France, China, the USA and Russia—to undertake steps for credible and meaningful disarmament. The late Fred Mulley, who was a British Minister in 1968, made great play of the fact that he and the Government were committed to article 6. I hope that we will reiterate that commitment and, at the very least, suspend a decision on the replacement of Trident. I would prefer that Government went much further and said that they simply will not replace Trident, as their contribution to nuclear non-proliferation.

Mr. David Drew (Stroud) (Lab/Co-op): That is an absolute starting point of any new Government. As such, should it not be something that we discuss during the general election?

Jeremy Corbyn: Absolutely. It is a starting point and something I shall be discussing in the general election when I put my case to the people of my constituency, as all other Members will do. I think that there is a moral, economic, diplomatic and political case for not replacing Trident.

My last point is that the NPT does not include India, Pakistan, North Korea and Israel. India and Pakistan need to be engaged as never before in peace talks, negotiations and disarmament, because of the danger of the spread of the Afghanistan war into Pakistan and the clear threat to peace in that region. North Korea is part of the six-party talks, and one hopes that those talks will bring it back into the NPT fold.

Finally, I come to a middle east nuclear-free zone. I know that the Government are formally committed to a nuclear-free zone in the middle east. The Mediterranean declaration included some statements about weapons of mass destruction in that region to which Israel signed up. Israel is not a party to the NPT or any other disarmament convention. I do not think that Iran should have nuclear weapons. I do not like its human rights record. There should be as much engagement as possible with the country to prevent the forces that want to develop nuclear power and nuclear weapons from gaining greater control. I hope that we can ensure some sense in that by putting all possible pressure on Israel to join in some kind of disarmament process. It does not matter what badge is applied—we can call it a nuclear weapons convention—but a process that involves every country that has nuclear weapons has to be the way forward.

There is no moral case for nuclear weapons. They are incredibly dangerous. People are still dying in Japan from the only time that nuclear weapons were used in anger, more than 60 years ago. Do we want that legacy for our grandchildren as well?

3.40 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I join in the tributes to the late Michael Foot. He was a fantastic campaigner for peace and nuclear disarmament and it is right that hon. Members should mention him at the start of their remarks.

I welcome the Foreign Affairs Committee's report, which is one of the best pieces of work that I have seen from that Committee. That is not to say that other works have not been very good, but this report is extremely timely and authoritative. I also welcome the way in which the Government have responded to it even if I, like the right hon. Member for Tonbridge and Malling (Sir John Stanley), do not agree with everything that the Government have said. I praise the Government, from the Prime Minister down, for publishing "The Road to 2010" and for being very proactive in the disarmament debate; they deserve some credit for that.

There is a large degree of cross-party agreement on this issue. The right hon. Member for Richmond, Yorks (Mr. Hague) has made one or two speeches, which I have taken the trouble to read—*[Interruption.]*

Hywel Williams (in the Chair): Order. There is a Division in the House. I understand that it is the first of several, although how many is unclear at present. I therefore propose that we suspend for 15 minutes. I ask right hon. and hon. Members to return immediately after this Division, at which time it might be clearer how many there will be and we can decide how to proceed.

3.41 pm

Sitting suspended for a Division in the House.

3.55 pm

On resuming—

Hywel Williams (in the Chair): I understand that there is to be a number of Divisions, so I propose that we suspend the sitting until 10 minutes after the last vote in the House. I appeal to right hon. and hon. Members to come back at that point.

Sitting suspended for Divisions in the House.

4.31 pm

On resuming—

Mr. Davey: It is good to be back, Mr. Williams.

Before the Divisions, I was saying that there is a large degree of cross-party consensus as we approach the nuclear non-proliferation treaty review conference in May. There are one or two differences between my party and both the Tories and Labour on Trident, and I will mention them at the end of my contribution, but first I shall focus on the issues on which the parties agree.

I want to press the Minister about how the Government intend to handle the fact that the conference will start just at the culmination of the British general election campaign. Is it intended to keep the Opposition parties informed—what does he envisage? Given that it is a critical conference, we want to ensure that the British voice is heard loud and clear, so it would be helpful if he gave us some assurance on that point. My noble Friend Baroness Williams of Crosby has been very much involved in these matters—indeed, she has even advised the Prime Minister on them—and I am sure that she could be one avenue of communication on our side, if that would be helpful.

As we approach the eighth review conference in New York, there is a far more positive mood, as has been mentioned by other speakers in the debate. Part of that is the timing in relation to what is going on in the rest of

the world and international affairs. The election of Obama has made a very big difference, and talks have taken place between the US and Russia. Before all those events, however, some of the arguments made on the Republican side of American thought—such as Kissinger, Shultz, Perry and Nunn in their famous letter to *The Wall Street Journal* in January 2007—were looking ahead to the possibility of a world without nuclear weapons. That debate has really transformed the way that a lot of people think about the issue, and we should give credit to those individuals for their analysis of the intellectual underpinnings of the concept of a nuclear deterrent. They have shown that the ideas that characterised the nuclear debate in the cold war era have less application in the 21st century, when there are failed states, rogue states and potential threats from terrorists using nuclear materials. That analysis has helped to underpin the shift in thinking on nuclear weapons.

Of course, one can put the negative side of the argument. In Iran and North Korea, we see serious threats to the non-proliferation regime. I wanted to press the Minister on how the British Government will approach the problem posed by so-called break-out states, whereby states such as Iran can be within the nuclear non-proliferation treaty regime, even though they may be in breach of some of the rules and there may be proposals for sanctions against them, and so on. There is a danger that those states are getting right to the wire and that they then will break out of the non-proliferation regime when they have got very close to becoming a nuclear state, having kept within the strict rules up to that very moment. The Chairman of the Select Committee, the hon. Member for Ilford, South (Mike Gapes), touched on that question: are the Government willing to allow legal changes to be made to the treaty to create sanctions for countries that do so? Sanctions are automatic and would not require a UN Security Council debate at what might be a fraught, tense moment. They are a signal in advance about what will happen and thus act as a deterrent.

I agree with much that other speakers said, particularly about the importance of the US Congress ratifying the comprehensive test ban treaty. That is probably the biggest step that the Americans could take. In relation to the British Government, however, I want to put on record some Liberal Democrat concerns that hark back to the debate in the House a year or two ago on the renewal of Trident.

We still believe that that decision was taken far too soon. Much of the evidence that we have heard from experts in the industry and the military indicates that it did not need to be taken at the time. The Government could have considered anything from a strategy of life extension to changing the continuous at-sea patrols to lengthen the life of submarines. A number of strategies could have been adopted to avoid the need for that decision. The reason why we were so concerned about the decision is that the conference was upon us. Britain's having made that decision seems to go against the spirit of the times and the leadership that we must show before the conference.

We would like the Government to discuss the matter in future, depending on what happens at the conference. The Liberal Democrats are seriously considering and being advised on the idea that our own deterrent, if we should need one, should not be a cold war relic such as Trident, but a replacement that is not like for like. It needs a lot of study in legal and military terms, but our initial work suggests that it is possible.

Apart from that important strategic disagreement about our nuclear weapons and approach to the conference, I believe that the Government deserve credit, particularly for the money that they have put into verification technologies. We know that they have worked with Norway and brought the non-governmental organisation VERTIC into that work, which is incredibly significant. If they continue to pursue that work, they will have our support.

4.38 pm

Mr. David Lidington (Aylesbury) (Con): I thank the Select Committee and congratulate it on a first-class report. The report and the Government response—which, as my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) said, is rather more comprehensive than some departmental responses to Select Committee reports—provide what amounts to a formidable work of reference for anyone interested in the challenges of the proliferation of nuclear, chemical and biological weapons and how British policy in particular has evolved.

Both the hon. Member for Ilford, South (Mike Gapes), the Chairman of the Committee, and my right hon. Friend addressed their remarks with the seriousness and depth of information that the subject deserves. I was particularly interested by what my right hon. Friend said about the need for attention to be paid to questions of both intermediate and tactical nuclear weapons. I agree that we must not forget those issues in our initial concentration on the talks between the United States and Russia about strategic weapons.

I have heard Senator Nunn say publicly that many senior military officers in the United States army have grave doubts about the efficacy of tactical nuclear weapons. His argument is that the generals believe that such weapons are never likely to be used and therefore soak up a huge amount of resources, both in terms of expenditure and the men needed to guard the weapons on the battlefield, that could better be employed elsewhere in the United States defence budget.

I see challenges arising in the attitude of Russia. I understand that Russia is seriously concerned about the inferiority of its conventional forces. It faces a demographic crisis, with the numbers of young men of military age falling in future decades. There must be a risk that Russian Governments will rely on tactical nuclear weapons to counter a balance of forces that tilts against their interests. My right hon. Friend is correct that we must press forward with the agenda that he described, despite the difficulties.

As several speakers have said, the review of the non-proliferation treaty, which is due to commence in May, is of great importance. My party has long taken the view that it is vital to our national interest that the NPT review should succeed. The hon. Member for Kingston and Surbiton (Mr. Davey) was kind enough to draw attention to the speeches of my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) that suggested a number of specific measures that the United Kingdom should advocate in the conference.

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The treaty rests on three pillars, each of which needs to be strengthened. First, there should be firm controls against proliferation and a bar on more countries becoming nuclear weapons states. Secondly, civil nuclear technology should be shared with countries that need it for their domestic energy programmes. Thirdly, as representatives of a number of non-nuclear states have told me, nuclear weapons states should deliver on their commitment under article 6 to work towards multilateral disarmament.

The first step towards the last objective has to be the achievement of a strategic arms reduction treaty 2, or START 2, between Russia and the United States of America. I confess to some disappointment that the timetable on that has slipped. I will be interested to hear what the Minister can say about the Government's assessment of the prospects for those negotiations. I hope that the Obama Administration can persuade the United States Senate to ratify the comprehensive test ban treaty in the not-too-distant future. I hope that the British Government say clearly to our friends in Washington that the United Kingdom favours their ratification of the CTBT, because there is sometimes misunderstanding on Capitol hill about what America's allies want.

The spread of civil nuclear technology is essential if we are to continue to persuade non-weapons states to maintain that status. There is a fear among some that the review of the treaty might lead to caution in the developed world in sharing civil nuclear technology with the emerging economies and developing countries that want to develop civil nuclear programmes. The quid pro quo is that, obviously, we need a regime of checks and controls to ensure that such technology can be shared, while reducing to a minimum the risk that technology and nuclear material could be used to provide a weapons capability to those countries that do not now possess one.

There are three elements to such a deal. First, we need stronger powers for the International Atomic Energy Agency, such as making the additional protocol mandatory. Secondly, we need to have effective sanctions against countries that sign up to the non-proliferation treaty but then flout the rules to which they have agreed to subscribe. For example, there might be provision for a quick reference direct to the United Nations Security Council once the IAEA has reported a serious breach of its controls.

Thirdly, we need to find ways in which to extend international control and supervision over the nuclear fuel cycle, particularly over enrichment and the distribution of enriched materials. As hon. Members will know, many different proposals have come from different politicians in this country about how that might be achieved. That has to be a key element of any successful review of the NPT.

I hope the Minister will say a few words about the diplomacy that the Government are using in the approach to May, because the more I consider the issue, the more it seems essential that we work not just with the other nuclear weapons states, but with emerging powers around the world that take a key interest in the matter. When I saw a South African delegation earlier today, they impressed on me that because South Africa has voluntarily given up its nuclear weapons capability, they have a particular interest in the subject.

Japan sees itself as the victim of nuclear weapons, because of the two bombs in 1945, and it, similarly, wants to see the NPT review succeed. Sometimes it will be easier for an Asian, African or Latin American power to talk to other emerging and developing countries around the world than it will be for us or the United States alone to persuade such nations to take the course that we hope they will follow.

I hope that the Minister will say something about the Government's objectives on persuading the nuclear weapons states not currently within the ambit of the non-proliferation treaty—India, Pakistan and Israel—to accept some kind of non-proliferation regime. In terms of building international confidence and persuading other countries not to go down the nuclear weapons route, that seems important.

I have two final questions to ask the Minister. The first is about the future of nuclear doctrines within NATO, a point that my right hon. Friend the Member for Tonbridge and Malling mentioned. He was right to say that five countries, led by Germany, have indicated that they would like NATO to become much less reliant on nuclear weapons as a central part of its military strategy. France, of course, takes a very different view on that issue. I would be grateful to hear how the British Government are approaching that debate within NATO.

Finally, I hope that the Minister will say a few words about Iran. When I met the new director general of the IAEA last week, he impressed me with the rigour of his analysis and his clear view that the evidence suggested that Iran was indeed moving towards the development of a weapons capability. The latest IAEA report is critical of Tehran's continuing refusal to co-operate with the international inspectors.

What approach are the Government now taking? Do Ministers believe that it will be possible to accelerate the long drawn out talks on a further package of targeted sanctions? Are we asking countries that have a relationship with Iran, such as Turkey, India and Brazil, to intervene diplomatically and make clear to Tehran the gravity with which its drive towards nuclear weapons capability is seen around the world?

4.50 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I begin by paying tribute to the Foreign Affairs Committee for the quality of its report. Members have been good enough to recognise that the Government took the report very seriously and ensured that our response was of a substantive and serious nature. There is much common ground between the Government and the Committee on the analysis of the current situation and on considerations on the future.

I share in the comments made by the right hon. Member for Tonbridge and Malling (Sir John Stanley) about how my hon. Friend the Member for Ilford, South (Mike Gapes) has chaired the Committee during this Session of Parliament. The Committee has further strengthened its reputation as a credible and serious scrutineer of the Government and a body that makes serious contributions to broader foreign policy debates. That is all to the good, particularly considering the votes in the House a few minutes ago, as the selection of Chairmen might take place on a very different basis in future.

My hon. Friend has earned tremendous support beyond that of Government or party managers in relation to when choices need to be made in future, although it is not for the Government to decide who ought to chair Select Committees, or for the Whips—this is a unique and historic moment.

I join my right hon. Friend the Member for Edinburgh, East (Dr. Strang), my hon. Friend the Member for Islington, North (Jeremy Corbyn) and others who remarked on how poignant it is to have such a debate the day after the passing of Michael Foot, who was such a great and powerful advocate for nuclear disarmament and peace around the world. It is also appropriate because tomorrow is the 40th anniversary of the NPT coming into force. We could not have had the debate at a more poignant moment.

As hon. Members have said, this year will be incredibly significant for such matters: there will be a nuclear security summit in Washington in April, the NPT review conference in May and the first preparatory committee for the arms trade treaty in the summer. This is the year when the world can come together and demonstrate its seriousness on creating a nuclear-free world. We must not raise expectations too greatly and must be realistic as well as ambitious, but 2010 could certainly be seen historically as the moment when the international community decided to go firmly down the disarmament route.

Despite the positives, as right hon. and hon. Members have said, some states continue to play outside the rules of the international community. The hon. Member for Aylesbury (Mr. Lidington) raised the question of Iran and I want to respond directly to that point. The international community has made it clear that we want diplomatic and political engagement with Iran to resolve the nuclear file question. The President of America has made that clear, as many world leaders and international institutions have done consistently. As we meet here today, that door remains open. As we meet here today, that door remains open.

There is a desire to resolve the matter in a diplomatic and political way. However, Iran's developing nuclear weapons has to be non-negotiable in terms of the stability of the international community and the middle east, but, paradoxically, also because of the arms race that would be triggered as a consequence of its developing nuclear weapons. Other middle eastern countries would feel that they had no alternative.

Therefore, having made diplomatic and political overtures to Tehran, and having had a negative response and a complete lack of co-operation with the UN body charged with policing such matters, we have no choice but to say to Iran that we are serious. If Iran still refuses to come to the table, the next step in demonstrating our seriousness would be to introduce tough economic sanctions that particularly focused on the people in the Iranian regime who make decisions.

It is important that any sanctions that are adopted keep the door open to political and diplomatic progress and to a resolution, but also engender as much unity in the international community as possible. That is why the preparatory work that we are doing to try to ensure that we have maximum unity—so that Iran cannot say that there are serious splits in the mainstream international community—is crucial in moving towards the sanctions stage.

Jeremy Corbyn: I thank the Minister for what he has just said. He knows that I agree with him on the question of human rights in Iran, but can he categorise in which respects, in the Government's view, Iran is in breach of the nuclear non-proliferation treaty, and, to save my trying to intervene on him again, will he also give us some indication—he has given indications in previous debates—of what discussion is taking place with Israel concerning its nuclear weapons capacity? What hopes are there for its involvement in some form of disarmament discussions in the future to create what we all want, which is a nuclear-free middle east?

Mr. Ivan Lewis: On the first question, the International Atomic Energy Agency has made it clear that the Iranians are in breach of the rules in several ways and the treaty that they signed up to. I can write to my hon. Friend with those details. There are questions about their willingness to allow facilities to be inspected properly. For a long time, the Iranians denied that the Qom nuclear facility was being used in pursuit of the development of nuclear weapons, but then, as a result of significant international pressure, were forced to admit that they had been misleading the international community for some time, which further eroded confidence and trust in the good will of the regime.

On the representations that are made, the British position is clear. In every UN resolution on Iran's nuclear weapons programme that we have supported, we have ensured that we are equally calling for a nuclear-free middle east. In our bilateral engagement with the state of Israel, we constantly ask it to indicate at least a willingness to consider being part of the NPT.

I shall answer my hon. Friend directly: the reality is that Israel's willingness to engage is linked to a paradigm that involves a satisfactory resolution of the two-state issue, so that we have the creation of a viable contiguous Palestinian state alongside a secure Israel. In response, as he will be aware, the Arab League has offered normalisation for the first time in its relationship with the state of Israel. That is the paradigm that would enable us to believe that there were real prospects of Israel agreeing to join the process.

That aspect of the middle east peace process is not often spoken about in this House. There seems to be a tendency to want constantly to focus on the negatives. We are approaching a period—in a matter of weeks, rather than months—where we are optimistic that proximity talks can begin between the Israelis and the Palestinians under the auspices of George Mitchell, possibly dealing with borders first, then other final-status issues, such as Jerusalem, refugees and normalisation, that would be part of any settlement.

We strongly advocate and champion a nuclear-free middle east, but we still do not think that we should allow ourselves to be diverted from saying to Iran that every time we seek to engage with it on its responsibilities under NPT, all it says in response is, "What about Israel?" That does not deal with the fact that it is a signatory to the NPT and agreed to play by the rules of the international community, and, at every juncture, it has refused to play by those rules thus far.

My hon. Friend the Member for Islington, North is right to make his point, but I hope that he will also consider condemning the human rights record of Iran, which, as Amnesty International has said, is the worst it

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has been in 20 years. If hon. and right hon. Members such as my hon. Friend say in the House to Iran that it is not acceptable for it to develop nuclear weapons, that will be a powerful contribution to the debate, because that regime cannot condemn my hon. Friend in any way for colluding with some of the policies that he finds it difficult to associate with.

Jeremy Corbyn: I have no problem whatever answering that question, because I have never supported Iran developing nuclear weapons. I do not support anyone developing nuclear weapons; I have a fundamental moral objection to them. I have made it clear to Iranians whom I have met that, whatever the issues are, I cannot under any circumstances support the development of nuclear weapons.

Mr. Lewis: I thank my hon. Friend for reiterating his position, which is well known, but he mentioned Iran's human rights record earlier. It is important that we send clear messages about its nuclear weapons programme and try to do that in a unified way, whatever other differences we may legitimately have.

Moving on from Iran, we continue to be concerned about North Korea. In that context, it is important that the sanctions that are already in place, which were agreed in New York, are rigorously enforced, while we continue to use the influence that we have over North Korea to ask it to re-engage with the international community through the six-party talks framework. It is crucial that this year, alongside our ambitions for NPT, we are seen to be dealing robustly and credibly with the real threat posed by Iran and North Korea.

On the review conference and our aspirations for it, we strongly believe that the best way forward overall is to strengthen the implementation of the NPT. We are working closely with our P5 partners to develop a constructive, forward-leaning approach at the review conference in May to provide the moral and political leadership that the Prime Minister has called for on non-proliferation and on disarmament. I believe that all Members of Parliament share those aspirations.

The conference presents a key opportunity to reaffirm our collective commitment to the treaty and its core principles, and to agree concrete, realistic, balanced action to strengthen the NPT's implementation across its three pillars, as the hon. Member for Aylesbury said: specifically, a strengthened non-proliferation regime to improve safeguards, verification and compliance; a clear and credible forward plan on nuclear disarmament and the promotion of peaceful uses of nuclear energy, without compromising safety, security or non-proliferation; and achieving consensus on ensuring nuclear security without reopening the treaty.

This is an ambitious agenda. We do not underestimate the considerable challenges that we face. We share a common interest and a common responsibility. We must not allow any differences to undermine the consensus that has underpinned the success of the NPT for the past 40 years.

I want to make an important specific point that was also raised by several hon. Members. The conference will take place at a difficult time in our political cycle. We must seek to achieve as high a level of representation as we can, taking into account the fact that it will start when the election campaign may be still under way—I am being very careful. As my hon. Friend the Member for Islington, North said, the conference will continue considerably beyond what may be the date of an election. We should seek to achieve collective responsibility so as to understand the fact that high-level representation, if feasible at a political level, is incredibly important in promoting Britain's national interest.

In response to the point made by the hon. Member for Aylesbury, it is important that we commit to communicating with other political parties if the conference takes place at a politically sensitive time. We are clear about our lobbying strategy and how people can have an input, and we are open about how we intend to approach the conference. The dialogue will be very important.

Mr. Lidington: Let me say very simply that the Opposition share the Minister's belief that it is important that the United Kingdom should be represented at the conference at as high a level as practicable. I welcome his comments about consultation with other political parties.

Mr. Lewis: I turn to some of the contributions from hon. Members; I want to do them justice. I realise that I have probably had more time than my Front-Bench colleagues, but I hope that they understand that I have a lot of ground to cover.

My hon. Friend the Member for Ilford, South commented on the United States-India nuclear deal. It is undoubtedly controversial, and there is no consensus in the international community's response. We have seriously considered the pros and cons, and have concluded that the international non-proliferation regime will be strengthened by moving India closer to the mainstream.

India subsequently concluded an additional protocol with the IAEA. There was concern that, although that was part of the deal, India would not honour it, but it has done so. On balance, we believe that bringing India closer to the mainstream is in the overall interests of our shared objectives; there is no evidence that it has had a negative effect. The 2009 NPT preparatory committee, for example, is the first for 15 years to agree an agenda for the review conference. On balance, we still believe that it was right to support that agreement.

It is clear from the points made by the right hon. Member for Tonbridge and Malling that he is one the best informed Members in the House on these important issues. He is aware that the United Kingdom does not possess any so-called tactical or sub-strategic nuclear weapons. Only nuclear weapons can provide a deterrent against a nuclear threat, so they are on a different scale from any other form of deterrence. Their use could only be deemed "game changing" or strategic.

In relation to the right hon. Gentleman's comments about the intermediate-range nuclear forces treaty and Russia's proposal to multilateralise, in principle we would have no difficulties with that proposal. Of course, we would have to consider any further details emanating from Russia, but it needs to be clear that for that to be successful, considerable buy-in would be necessary from the international community.

The right hon. Gentleman and other hon. Members referred to NATO. It is right at this juncture to have a serious debate on NATO's nuclear weapons based in Europe, and that tallies with our ultimate aspirations,

but we must be honest and say that we do not expect any unilateral decisions to be taken. Any decision must be taken following consultation with our NATO allies. Not all member states agree with Germany that getting rid of NATO's nuclear forces would be a good thing at this time. That, of course, is particularly the case in countries that feel under threat. Although we agree that NATO should be having this debate now, it is important that we handle things sensitively.

The right hon. Gentleman also raised the question of biological and chemical weapons, and I shall briefly address that point. Biological and toxin weapons convention verification is a top priority for us, but there is no clear movement at this stage from the United States Administration. We accept that they are focused on the START talks and the nuclear posture review, but we continue to press them on the convention.

We have not yet had any indication from the new Administration about whether they intend to rescind the presidential veto over challenge inspections, and that is a little more depressing. However, in our bilateral discussions we continue to urge them to do so.

Sir John Stanley: On a point of fact, I believe that I am correct and that the Minister may wish to review what he has said. There is a sub-strategic nuclear role for Trident. The Government's policy, given in the 1998 strategic defence review, is that

"The credibility of deterrence also depends on retaining an option for a limited strike that would not automatically lead to a full scale nuclear exchange. Unlike Polaris and Chevaline, Trident must also be capable of performing this 'sub-strategic' role."

Mr. Lewis: The right hon. Gentleman raises a point that is difficult to argue with. It all depends on one's definition of "sub-strategic role", but I do not think that we could disagree on how he defined it in his contribution. The difficulty is in the definition. However, I agree with what the right hon. Gentleman said about the potential role of Trident. That takes me on to Trident itself.

It will be useful quickly to update the House on the initial gate process; I think that all Members will be interested in that. The House will be aware that we had originally planned to consider the concept phase of the future deterrent submarine programme in the autumn of 2009. However, further time was necessary to ensure that decisions on submarine propulsion and design options were based on robust information. New technical options are being considered, and a few more months are needed to evaluate them fully before taking a decision.

In the 2006 White Paper, we announced our intention to introduce a new class of submarine from the mid-2020s. That timetable is still on track, despite the delays. However, it does not mean that we have taken an irreversible decision that commits us irrevocably to possess nuclear weapons for the next 40 to 50 years. It is important to make that point.

I turn to a point made by the hon. Member for Kingston and Surbiton (Mr. Davey). He hints that he does not agree with our position, but I am still unclear about his party's position. On some occasions, the Lib Dems say, "We are conducting a fundamental review and will inform the public when we have reached a conclusion about our policy." On other days, the party's Front-Bench spokespersons say, "We have decided not to replace like with like." The position is unclear. Are the Lib Dems conducting a fundamental review, with all options remaining open, or have they made a definitive decision that they will not replace like with like?

Mr. Davey: I am happy to help the Minister. I hope that he will then answer the questions that I raised about Trident. We do not believe that there is a case for renewing Trident on a like-for-like basis. I hope that that is clear enough for him.

Mr. Lewis: The problem is that we are not clear about the Liberal Democrat position on the replacement of Trident because the party has not said that it will not replace Trident. It has tried to hint to a particular section of the electorate that it is less comfortable with the concept of Trident, but it has not said that it will not replace Trident. Its policy will have to become clearer as we get nearer to an election.

Let me deal with the important point made by the hon. Member for Kingston and Surbiton about the future approach to sanctions in respect of those countries that are not complying with their obligations under the NPT. We agree that that is a very important priority for the review process. The Prime Minister made it clear in his speech at Lancaster house last March that we need to strengthen the regime to deter non-compliance by ensuring certainty of detection and, where non-compliance has occurred, by ensuring certainty of serious consequences. Sanctions are one option, as is suspending co-operation with the IAEA, for example. We are looking to the review conference for a mandate to address those concerns. The hon. Gentleman is right: that will be a significant part of what Britain will be seeking to achieve as one of the key outcomes of the review.

The year 2010 will be crucial. There is significant consensus in the British Parliament, I believe, about what is the morally and politically appropriate position for this country to adopt in the context of the negotiations. It is important that we should be seen to provide strong leadership. It is equally important that, at a time when we have hope that the journey towards a nuclear weapons-free world can gather momentum, we should not allow Iran and North Korea to be developing a nuclear weapons capacity or to be expanding their ambitions further.

I hope that we can secure and maintain the maximum unity of purpose and consensus and that during the period of the conference, despite the political difficulties that we may have in this country, we seek an all-party consensus and maximum effectiveness in the British input.

Jeremy Corbyn: Will the Government publish in advance of the conference any particular strategic document, and will they use the conference to seek parallel meetings with non-NPT states, all of which are normally there at NPT review conferences? I shall be at the latter part of the conference, and I am happy to be a consensus figure in favour of disarmament, if that helps the Minister.

Mr. Lewis: That may be an offer that I can refuse; I am not sure. I am not clear whether we have a commitment to publish our negotiating position formally, but I am happy to ensure that there is engagement with right hon. and hon. Members with an interest in these issues. In the lead-up to the conference, we can ensure that as

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much information as is available gets to those right hon. and hon. Members, so that they are clear about the broad approach that we intend to take.

As for meetings with other states, which my hon. Friend asked about, I should say that we meet those states on a bilateral basis and one of the issues that we raise with them consistently is the NPT review process and what their attitude to that may be. With that, I conclude my contribution.

5.19 pm

Mike Gapes: With the leave of the House, I thank the Minister for his detailed response and all right hon. and hon. Members who have taken part in the debate. I thank the Minister for his kind remarks about me. I would not have been able to play the role that I have in the Committee over the past five years without the co-operation and dedication of a number of colleagues, not least the right hon. Member for Tonbridge and Malling (Sir John Stanley) and the staff of the Committee, who also need to be praised for their work. I also place on the record my appreciation of those officials from the Foreign and Commonwealth Office with whom the Committee deals. They have been consistently helpful in response to the requests for information that we regularly make and in the correspondence and deadlines that we give them.

I have two other points. The first is the problem of the transition between this Parliament and the next. In previous international conferences, from time to time Members or former Members of both Houses have played a role in parliamentary delegations, assisting as part of a UK delegation to disarmament negotiations. It may not be impossible for some former Members of this House or the other place to assist during the transition period, and I hope that that can be borne in mind.

Finally, I place on the record my great sadness at the death of Michael Foot. I was in Brussels last Monday and Tuesday with the Foreign Affairs Committee at the UKRep offices, and on Monday evening I went to the Grand Place in Brussels. When I heard of Michael Foot's death yesterday, I looked at a photograph on the wall of my office. It is a picture of Michael Foot and me in the Grand Place in 1982. We had been attending a meeting of the Socialist parties from NATO countries that were campaigning against cruise, Pershing and SS20 missiles. This is an apposite moment to draw attention to that, and to hope that the non-proliferation review conference goes some way further towards the goal that Michael Foot had and his aspiration for a world without nuclear weapons.

Question put and agreed to.

5.22 pm

Sitting adjourned.